

Economic Gauge Falls Sharply in U.S.

Leading Indicators But Export Rise Off 1.7% in Month Is Aiding Industry

By Robert D. Hershey Jr.
WASHINGTON — The U.S. government's main forecasting gauge of economic activity plunged 1.7 percent in November, the biggest decline in more than six years, the Commerce Department said Wednesday.

The drop in the Index of Leading Economic Indicators, the first setback since last January, primarily reflected a nosedive in stock prices.

The index comprises 11 barometers of future business activity, and is designed to predict economic conditions six to nine months away. The forecasting tool has taken on a new significance since the record Oct. 19 decline in stock prices, as economists try to determine whether the country is headed for another recession.

In positive news for the economy, the gauge was revised upward for September and October to show a 0.2 percent gain in each month. The department previously had said that the index fell 0.2 percent in October after being unchanged in September.

In another report, the department said that nationwide sales of new single-family houses fell 1.2 percent in November. But in a sharp upward revision, it said that new home sales actually rose 2.1 percent in October rather than falling 1.5 percent as previously reported.

The November setback in the index of economic indicators was the largest since a 2.2 percent drop in September 1981, one of six declines in a row that year as the nation fell into a recession.

Three consecutive monthly declines in the index, often but not always, have been a signal of an impending recession. The revised gains for September and October may allay fears that a recession could be imminent.

The 2.2 percent gain in October came despite the huge negative factor of stock prices in that month's index. The weakness in shares continued in November with the average price for the month of an issue in Standard & Poor's 500-stock index declining 12.5 percent after a 12.1 percent drop in October.

In October, stock prices were one of only two indicators that were negative. In November, however, seven of the available nine indicators declined.

The fall in stock prices contributed almost two-thirds of the 1.7 percent drop. The next-largest negative factor came from changes in business delivery times on orders.

That was followed by a slow-



Food Shipment for Eritreans Under Way

Food destined for the starving in rebel-controlled areas of Eritrea Province in Ethiopia being loaded on camels for distribution. Separately, the Ethiopian official in charge of supplying districts stricken by famine accused Britain and other Western nations of withholding aid to put

pressure on the Marxist government in Addis Ababa. Kassa Kebede, visiting London, also called Western aid deliveries "too little and too late." He said "millions of pounds of development aid have been withheld since the Ethiopian revolution." Britain rejected the charges.

The Dollar: One Man's Poison Is Another's Meat

By Reginald Dale
International Herald Tribune
PARIS — Not everyone groans with despair each time the dollar hits new lows, as it has most days in the past week. Some people, including many Americans, are doing very nicely.

Among the major beneficiaries are U.S. exporters, newly industrialized countries like Taiwan and South Korea, buyers of oil and other commodities priced in dollars, tourists traveling to the United States, and shrewd operators on foreign exchange markets.

"It's been a boom year for speculators," said Howard Kurz, partner in the New York investment management firm of Buchen, Kurz & Co. He confesses to having done pretty well out of the dollar's precipitous descent by judicious buying and selling of foreign currencies.

Others are less forthcoming. Foreign exchange departments of a number of major banks are believed to have made a lot of money by playing the markets, but the banks are often reluctant to admit it. They do not like their customers to think that they take undue risks.

Bankers Trust has just revised its estimated profit upward by between \$100 million and \$225 million for this year, thanks to its performance on the foreign exchange and securities markets in the fourth quarter—the period since the mid-

October stock market collapse and the start of the dollar's latest fall. For both bonds and foreign currencies, "market volatility presents opportunities for those who do it well," said Tom Parosi, a senior vice president.

When the dollar is falling, experts make money by selling dollars forward, for delivery at a future date. By then, it will cost them less to procure the dollars they've agreed to sell.

Others, like Mr. Kurz, keep using dollars to buy rising currencies like the Japanese yen, and hold the

stronger currency for perhaps a few weeks. Then they sell the yen for more dollars than they paid for it and repeat the operation.

"If you have \$10 million worth of transactions, and make 4 to 5 percent every couple of months, you would be surprised what's in the kitty," Mr. Kurz said. "Nobody wants to be caught as the last selling the dollar, but you mustn't mind losing 5 percent when the market turns if you've already made 60 percent on the downside."

American exporters can sell their products at lower prices in most major foreign currencies, particularly in Europe and Japan, and still earn the same amount of dollars.

"All of us who buy American products benefit, because they are much cheaper," said Richard O'Brien, chief economist at American Express Bank in London.

He pointed out, however, that a number of U.S. companies were still charging the same price in foreign currencies and taking a bigger profit in dollars — particularly if they were not sure that they would increase their sales by lowering local prices.

Mr. O'Brien dislikes the word "speculators" to describe those who have profited from the dollar's tribulations by playing the markets. In present circumstances, "hanging on to dollars is just as speculative as doing something with them," he said.

Less developed countries with

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In Romania, Food Lines Are Sign of Better Times

By Loren Jenkins
Washington Post Service
BUCHAREST — In the best of times, this capital is a drab and joyless place. And winter, when the city is wrapped in coal smog and its streets slick with blackening snow, is the worst of times.

Winter, for the Romanians in the past 10 years, has meant privation as their creaking Stalinist economy has slowed. Most of the 23 million people have too little fuel to heat their homes. Shortages of food add to other daily discomforts.

This winter, by all accounts, has been worse than ever. A drought and a heat wave last summer brought disaster to agriculture, already inadequate. Vegetables and fruit were only sporadically available. Grain supplies sparse and even potatoes so stunted that they were referred to as "doves' eggs."

The nation is striving to eradicate its foreign debt in the next five years. To underline its independence, even of the International Monetary Fund, meat was exported to earn hard currency. Housewives bought at market what could not be sold abroad.

Romanians tell of the school child asked by his teacher to draw a pig. The child draws a head and four pig's feet and nothing in between. When the teacher prompts the child to fill in the rest of the animal, the youngster looks up and says, "Oh, you want me to draw an export pig."

Westerners living in Romania say that until the recent national conference of the ruling Communist Party, called to assess strategy,

the markets had so little food that there were few food lines. There was not enough to stand in line for.

All that changed in mid-December. With the government of President Nicolae Ceausescu still shaken by anti-government riots last month in the Transylvanian city of Brasov, the party went all out to make sure public outrage did not mar the meeting of party elite.

Entry into the capital was rigidly controlled. Passengers arriving at Bucharest's unheated airport were frisked and their baggage searched twice. The police and the national militia were mobilized, patrolling in greater numbers and lining boulevards that party notables would travel.

To ease the population's anger about the shortages, food suddenly appeared in the shops: tomatoes, leeks, some apples, potatoes, chunks of beef, sausages and lard bacon. Overnight, food lines sprang up.

"I never thought I would see the day when seeing a food line was taken as a sign of economic improvement," said a Westerner resident. "There are even reports of people fighting for places."

Mr. Ceausescu, 69, a former cobbler who has strictly controlled Romania for 22 years, showed once again that, for all of his continuing praise of "scientific socialism," he had not lost his politician's grasp for bread-and-butter issues.

The president received his greatest applause of the conference on the closing day. After a long dissection on the world economic crisis,

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Japan Will Shore Up a Key to Its Offshore Rights

By Clyde Haberman
New York Times Service
TOKYO — Japan, always a bit self-conscious about its size, took a giant step this week to keep itself from shrinking.

With an initial \$75 million budget outlay approved the other day, the government hopes to prevent an insignificant dot of a Pacific island, 1,300 miles (2,100 kilometers) southwest of Tokyo, from being swallowed up by the sea.

Actually, to call Okinotorishima an island is somewhat akin to describing a rowboat as a vessel — true but overstated. This island has eroded so badly over the years that it now consists of two barren rocks, neither of them much bigger at high tide than a king-size bed.

But Okinotorishima, which means Off-shore Bird Island, happens to be Japan's southernmost point. And if it disappears beneath the southern Pacific, as it is almost certain to do unless remedial action is taken, Japan

will lose exclusive fishing and mineral rights to 163,000 square miles (about 422,000 square kilometers) of ocean.

That, as Japanese officials are painfully aware, is an area bigger than Japan itself.

Without Okinotorishima, Japan's exclusive economic zone, which extends 200 nautical miles in all directions from its coastline, would be pushed far back — to either Minami Iwo Jima, an island nearly 400 miles to the northeast, or to Okinotorishima, another island about the same distance to the northwest.

"Our mission is to conserve Japanese territory," said Masashi Waki, a civil engineer who will oversee the island rescue project for the Construction Ministry.

What Mr. Waki and his colleagues plan to do is to encase Okinotorishima's protruding rocks in large steel-and-concrete blocks that can absorb waves and thereby keep the Japanese outpost above water. The process is not

unlike a dentist putting a cap on a crumbling tooth, only this job is expected to take three years and cost up to \$240 million.

Okinotorishima is a coral island, never inhabited, known on some maps as Douglas Reef or Parece Vela.

Japan claimed it in 1931, lost it to the United States in 1945 at the end of World War II, then regained it in 1968 when the Americans returned the Bonin Islands, 500 miles to the northeast. Anomalously, like many minuscule Japanese islands studding the northern Pacific, Okinotorishima falls under the jurisdiction of the faraway Tokyo Metropolitan Government.

Many years ago, Japan thought about putting a weather station there, but the idea never got off the ground. Now, officials are more concerned about Okinotorishima's fishing rights and the possibility that the surse outpost above water.

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Kabul Says Siege Is Broken

But Guerrillas Deny Convoy Has Reached Khost

Compiled by Our Staff From Dispatches
ISLAMABAD, Pakistan — The Afghan government said Wednesday that the first supply convoy had arrived in the eastern town of Khost after a rebel siege was broken in one of the largest battles of the war.

Afghan rebels denied the report, and Western diplomats tracking the battle from India said they were skeptical of a Soviet claim Tuesday that the siege had been broken.

The official Kabul Radio said a convoy of 153 vehicles carrying 1,200 tons of food and consumer goods had arrived in Gardez, capital of Pakhtia Province. The radio said another convoy of 150 vehicles with 1,600 tons of supplies left Gardez on Wednesday for Khost.

The radio said Khost residents danced in the streets and showered flowers on the arriving convoy. It said government and private vehicles were now moving normally on the 88-mile (130-kilometer) Gardez-Khost road.

Sayed Bahadour Majrooh, director of the Afghan Information Center in the Pakistani city of Peshawar, near the eastern Afghan border where heavy fighting has been reported, said, "The Soviet-Kabul troops are still about 50 kilometers from Khost garrison."

The Gardez-Khost road is a dirt trail that Afghan rebels have ridden with hundreds of mines, Mr. Majrooh said. In the best of times, he said, especially for mechanized transportation, the road is very difficult to traverse.

Mr. Majrooh said the pro-government force had made some advances and were fighting a pitched battle near Sarana, about 35 miles from Khost.

Independent verification of the fighting was not possible.

The offensive is one of the largest since Soviet troops intervened in Afghanistan eight years ago. Heavy ground troops are involved in the battle because the rebels have blunted Soviet and Afghan air power by using U.S. and British-made anti-aircraft missiles.

"All of us who buy American products benefit, because they are much cheaper," said Richard O'Brien, chief economist at American Express Bank in London.

He pointed out, however, that a number of U.S. companies were still charging the same price in foreign currencies and taking a bigger profit in dollars — particularly if they were not sure that they would increase their sales by lowering local prices.

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Betwixt and Between: Still Strasbourg's Story

By James M. Markham
New York Times Service
STRASBOURG, France — The city's monument to the dead is a mural and economic penetration of West Germany. The Alsatian dialect is virtually the same German spoken just across the Rhine in Baden-Württemberg, and its people preserve German habits of orderliness and punctuality, and even hoary laws on hunting and shop hours.

The medieval city of Strasbourg, with its intact half-timbered buildings and stately avenues, is a poignant architectural evocation of what cities across Germany might be like if not for Hitler's war.

Yet the dialect, like the knowledge of German, is being lost. In 1922, after France reclaimed Alsace from a defeated Germany, more than 90 percent of the population spoke Alsatian. Now a little more than half of Alsace's 1.6 million citizens say they understand and speak it.

The Nazi occupation of Alsace in 1940 did more to hasten the region's emotional integration into France than three centuries of French rule. The Nazis tried to wipe out all traces of French culture, tearing down monuments and even banning the wearing of berets.

In 1945, the victorious French had their revenge, outlawing the speaking of Alsatian in schools, curtailing the German-language press and posting signs saying, "It is chic to speak French."

The Alsatians were very slow in accepting the new postwar Franco-German friendship, said Jean-Marie Caro, a national legislator, who recalled that Alsatians scrawled anti-German graffiti on

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Kiosk

2 Killers Freed In El Salvador

SAN SALVADOR (AP) — Two former guardsmen serving 30-year terms for the murders of two U.S. agricultural advisers and a Salvadoran official were freed under an amnesty law that is part of a Central American peace plan, a prison official said Wednesday.

The U.S. Embassy said it was appalled by the action, and the United States said it planned to review a \$9 million aid program to improve El Salvador's judiciary. An official at Mariona Prison said the two former guardsmen, José Dimas Valle and Santiago Gómez González, were freed Dec. 19.



Alain Prost, who won his 29th Grand Prix race, was one of the veterans who flourished in 1987. A sports roundup of youth and age. Page 15.

GENERAL NEWS

■ Palestinian lawyers voted to boycott Israeli military trials of arrested protesters. Page 6.

BUSINESS/FINANCE

■ Grand Metropolitan opened a bidding war with Seagram for control of Martell, the cognac house. Page 9.

Dow close: UP 23.21
The dollar in New York:
DM £ Yen FF
1.5945 1.8295 123.35 5.3975



HORNS OF PLENTY — Blowing several of his own horns at once is Emelito Llanes, one of many vendors selling New Year noisemakers on Wednesday to Manila residents.



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Wrenchingly, Argentina Tracks Down Orphans of 'Dirty War'

By Alan Riding
New York Times Service

ASUNCION, Paraguay — According to Argentine court records, friends of Major Norberto Bianco and his wife, Susana, vividly recall the couple's delight when, unable to have children of their own, they adopted a baby girl and then a baby boy in the mid-1970s.

The babies, Carolina and Pablo, grew into bright and healthy children, with Carolina, now 11, the sensitive one, and Pablo, 10, the mischievous younger brother. By some accounts, they were lovingly cared for by their parents. The court records also show, however, that the children were not adopted but rather were kidnapped at birth from imprisoned mothers who subsequently disappeared and were presumed murdered in the Argentine military regime's so-called dirty war against guerrillas and other leftists.

After democracy returned to Argentina in 1983, a nationwide search for the children of the disappeared finally led to the Biancos. In April 1986, a Buenos Aires court ordered blood tests to verify their claim to be the natural parents of Carolina and Pablo. Instead, the 42-year-

old major fled with his family to Paraguay.

Since then, the Bianco case has turned into one of the most difficult and wrenching of the many custody battles involving orphans of the dirty war. The children seem eager to remain with their adoptive parents, while Argentina has applied great diplomatic pressure on Paraguay to extradite the Biancos.

The case also has become caught in an ideological dispute. President Raúl Alfonsín makes little effort to disguise his disapproval of Paraguay's 33 years of dictatorship, while the Paraguayan regime boasts of its identity with the outlook and methods of the generals who ruled Argentina from 1976 to 1983.

Claiming to be a victim of political persecution, Major Bianco therefore had reason to feel shielded by Paraguay's strong anti-communism. During the dirty war, he worked as a doctor in a military hospital, and although he was not among the hundreds of officers accused of human rights violations, he defied the army's behavior, which left more than 9,000 people killed or missing.

"It's one thing to analyze what happened 10 years later," he said in the small

house he rents in Asunción. "It's another thing to have lived through it. Everyone in the armed forces participated in the war. Those officers who now want to bathe in the Ganges and say they are clean are cowards and traitors."

Almost coincidentally with the Biancos, a deputy police chief, Samuel Miara, and his wife Alicia, along with 10-year-old twin boys, Gustavo and Marín, also sought refuge in Paraguay rather than undergo blood tests. And they too soon had proof they would be safe in Paraguay.

In April, shortly after Argentine and Paraguayan judges arrived with police

officers at the Miara home to execute an extradition order, the much-feared commissioner general of the Paraguayan police, Carlos Schreiber, showed up and ordered the judges to leave. The Paraguayan judge withdrew entirely from the case.

A few weeks later, after Major Bianco and his wife were arrested and taken to separate men's and women's prisons to await extradition, it was the turn of General Tito Velilla, then the head of military health, to step in on the couple's behalf. He went to the two prisons and demanded successfully that the Biancos be freed.

With the two couples confined to their homes, the diplomatic battle over the children escalated. Paraguay's chief prosecutor, Clotilde Jimenez Benitez, publicly opposed extradition, arguing that the Argentine court system was now riddled with leftists. Infuriated, Argentina recalled its ambassador in protest.

On Dec. 11, Paraguay bent to the pressure and a judge approved extradition of the Biancos.

Since then, while the Miaras remain enmeshed in their home reclusively awaiting their day in court, the Biancos have taken their case to Paraguayan public

opinion and, indirectly, to President Alfredo Stroessner by allowing Carolina and Pablo to be interviewed on television and in newspapers.

"They are our parents," Pablo said in one broadcast. "The only thing we want is not to be separated from them. Whenever I am and whenever I'm with, I'll escape to be with them."

By now, however, the Bianco children appear to have been reduced to extras in a larger drama. It is rumored that Mr. Alfonsín will attend the inauguration of a bridge linking Argentina and Paraguay early next year only if the extraditions have gone ahead. And it is known that General Stroessner is anxious to be seen publicly with Mr. Alfonsín.

The exact number of children of mothers who disappeared during the dirty war is not known, but there are believed to be several dozen. One Argentine official familiar with the issue said 46 such children had been identified by Argentine courts, with 20 cases resolved.

He said that in the cases that had been settled, some children had been returned to blood relatives, but that in other cases the adoptive parents had been allowed to retain custody over the children, with blood relatives given visiting rights.

"They are our parents. The only thing we want is not to be separated from them."

— Pablo Bianco, child in a custody dispute

Transkei Has 2d Coup In 3 Months

By William Claiborne
Washington Post Service

JOHANNESBURG — The government of the tribal homeland of Transkei was overthrown in a military coup on Wednesday for the second time in three months.

The commander of the Transkei Defense Force, Major General Bantu Holomisa, said on the Transkei radio that he had removed Prime Minister Stella Sigcau, suspended the constitution and imposed martial law on the nation's three million residents because of government corruption.

General Holomisa told the South African Broadcasting Corp. that Mrs. Sigcau was "on leave" and that he and a predominantly military junta would temporarily rule Transkei.

Mrs. Sigcau had been in office since Oct. 6, two weeks after eight cabinet ministers were forced to resign at gunpoint during an army coup that in effect removed the previous prime minister, George Matanzima, amid allegations that he had accepted \$500,000 as a kickback on a building contract.

Mr. Matanzima had left Transkei for South Africa, reportedly for medical care, before the Sept. 24 coup.

For years Transkei has been torn by internal feuding between Mr. Matanzima and his brother, President Kaiser Matanzima, who earlier this year was banished to a remote part of the homeland after implicating his brother in corruption.

The oldest of four black "homelands" declared independent by South Africa but not recognized by any other country, Transkei is increasingly becoming a symbol of the failure of Pretoria's homeland policy, the cornerstone of apartheid's philosophy of separating blacks into tribal areas and giving them their own governments.

Although the South African government pumps about \$2 billion a year into the homelands, poverty is widespread. In contrast to the palatial housing for leaders and their relatives and lavish gambling casinos that cater to visiting whites.

Telephones in government offices went unanswered on Wednesday, and details of the coup were sketchy, but Transkei journalists reported that there was apparently no violence. The whereabouts of Mrs. Sigcau, 50, who had been minister of posts and telecommunications before being made prime minister, was not known.

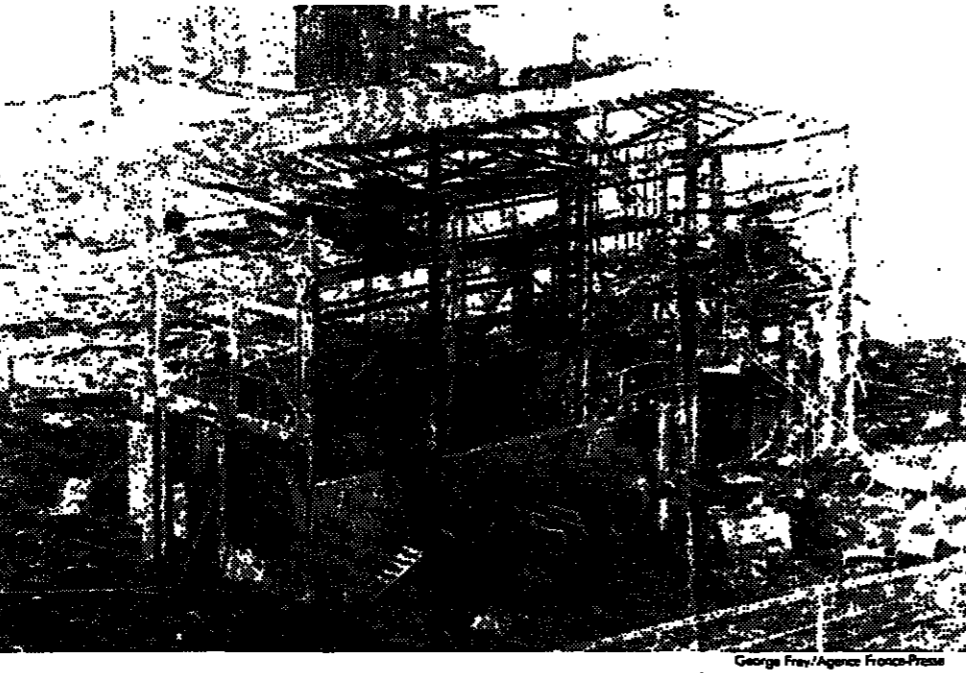
General Holomisa said on the Transkei radio that martial law had been imposed "as a result of unavoidable circumstances."

Transkei residents reached by telephone said army vehicles with loudspeakers were patrolling the streets, announcing the coup.

Roadblocks were reported to have been erected by the army throughout the 18,000-square-mile (29,000-square-kilometer) enclave, situated on the Indian Ocean coast between the port cities of Durban and East London. The South African state radio said all Transkei government employees had been sent home.

A telex message from the radio station to the South African Press Association quoted General Holomisa as saying that Mrs. Sigcau had been removed for being "involved in the corruption and bribery which we are fighting and which was practiced by the former ministers that had recently been removed from their posts in an anti-corruption purge."

For several months, the army chiefs have waged a campaign against corruption in Transkei, which a special commission of inquiry recently concluded had cost the homeland about \$22 million.



AFTER MX EXPLOSION AND FIRE — After a fire, the charred frame is all that remains of a Morton Thiokol Inc. building where work was done on a stage of the MX missile near Brigham City, Utah. Five workers were killed in the fire, which a company spokesman said had erupted during the removal of casting equipment from a loaded motor.

U.S. Urged to Replace Space Rocket Supplier

The Associated Press

WASHINGTON — NASA should look for another company to build rockets for the space shuttle after the failure of a component of the shuttle's redesigned booster, a member of the House of Representatives science committee said Wednesday.

Representative Manuel Lujan Jr., Republican of New Mexico, predicted the delay from the test failure of the Morton Thiokol rocket would cause the first manned space launch since the Challenger disaster in January 1986 to be postponed until sometime after next year.

A top official of the National Aeronautics and Space Administration said: "Clearly we have missed something in our design, or the environment." However, a spokesman of the agency said the delay probably would only be several weeks.

The space agency announced Tuesday that the next shuttle flight, which had been planned for June, would be delayed because of the failure of a redesigned rocket nozzle component in a recent test firing. NASA officials said then that it would be several days before they could determine how long the delay would be.

"If we're going to postpone from June, even if we postpone it just three months, that takes us into September, maybe October, and nobody in their right mind is going to launch just one or two months before the election," Representative Lujan said on television. "So that really puts us out of business for 1988, and that's really devastating for the space program."

Mr. Lujan, the ranking Republican on the House Science, Technology and Space Committee, said the panel has been disturbed that Morton Thiokol is the only company with a contract to build the shuttle boosters.

"We've been insisting that we have a second source, but NASA has been fighting that," he said. "Maybe now we can convince them."

The announcement Tuesday of the failure reversed a glowing assessment that the agency and the rocket contractor had made a week earlier following a cold-weather test of the redesigned booster.

It occurred as the Soviet Union was celebrating a new outer space record with the return of a cosmonaut from 326 days in orbit.

It also occurred on the same day that five Morton Thiokol workers died in an explosion and fire in an MX missile section of the company's Wasatch Operations area in Utah, where the shuttle booster test was conducted on Dec. 23.

J.R. Thompson, director of NASA's Marshall Space Flight Center at Huntsville, Alabama, said an initial redesign of the nozzle ring had proven successful in the first test firing in August, and that a further change was tried last week.

"We thought this would be an improvement even over that," Mr. Thompson said. "Clearly we have missed something in our design, or the environment."

An examination of the rocket after the two-minute test firing revealed that a large portion of the nozzle's outer boost ring was missing. Nearly 4 feet (about 1.2 meters) of the 8-foot-diameter ring was gone, and more than a foot of that material was discovered inside the motor, the agency said.

NASA was awaiting the testing by Morton Thiokol of major redesigns in the rocket, which were undertaken as a result of the explosion that destroyed Challenger and killed its crew of seven Jan. 28 last year.

The failed nozzle ring was redesigned by engineers in the period following the Challenger explosion because of a concern by NASA that nozzle joints had eroded or been pitted in previous launches.

It was not linked, however, to the Challenger explosion.

WORLD BRIEFS

6 More Blacks Die in Natal Province

JOHANNESBURG (Reuters) — A 12-year-old boy was among six persons reported killed in Natal Province, where a rising wave of black-against-black violence has touched off a rare public quarrel between two top South African black leaders. About 260 blacks have been killed this year in the region.

The struggle pits the conservative Inkatha movement of Zulus, led by Chief Mangosuthu Buthelezi, and a leftist coalition of anti-apartheid organizations, the United Democratic Front. On Tuesday, Chief Buthelezi hit out at Archbishop Desmond M. Tutu, whose ideology matches that of many followers of the front, although the archbishop is not a member. Chief Buthelezi had accused the archbishop of being linked with the "labyrinth of intrigue" that "sets out to perpetuate the violence he now decries."

On Wednesday, Archbishop Tutu said, "Chief Buthelezi appears to think that his leadership is enhanced by denigrating others." Inkatha and the United Democratic Front both oppose apartheid but are divided on the means to use to fight the system of racial separation.

Yugoslav Party Expels 45 in Scandal

BELGRADE (AP) — All 45 members of the Communist Party committee in the Bosnian town of Velika Kladusa were removed following Yugoslavia's biggest financial scandal since World War II, the newspaper Politika reported Wednesday.

The newspaper said the officials were removed Tuesday after a 15-hour meeting of the party organization in the town. Agrokromer, the food company that circulated almost \$1 billion in uncovered promissory notes before the scandal was revealed in August, is based in Velika Kladusa. Politika said the town's mayor, Stjepan Mijakovic, also resigned Tuesday after being reprimanded by the party. Almost all the town's inhabitants were employed at Agrokromer, which had a work force of 14,000 before the financial scandal surfaced.

Panama to Let 4 Newspapers Reopen

PANAMA CITY (AP) — A measure passed by the Panamanian legislature would allow four newspapers and two radio stations to reopen and grant amnesty to several dozen people arrested in political protests earlier this year.

President Eric Arturo Delvalle indicated he will sign the bill, which was passed by the legislature on Tuesday. Mr. Delvalle closed the newspapers and the stations at the height of violent protests last summer against General Manuel Antonio Noriega, who is considered the power behind the civilian government.

It was not clear how quickly the newspapers and radio stations could reopen or when their property would be returned and whether it had been damaged. The newspapers closed were La Prensa, El Siglo and El Extra, all dailies, and Quibbo, a weekly.

Afghan Confirms Defection to Rebels

HONG KONG (Reuters) — The younger brother of General Najib, the Afghan leader, confirmed in an interview published Wednesday that he had defected to the guerrillas and said he was likely to seek asylum in the West.

In the interview with the magazine Asiaweek, the younger brother, Sidiq, called his brother a charlatan and a "power-mad Nero unable to tolerate people with different opinions." Asiaweek, a weekly based in Hong Kong, said it spoke with Mr. Sidiq, 36, last month in the Panjshir Valley of Afghanistan.

Jamiatul Islam, a guerrilla organization based in Pakistan, reported his defection in November, but Western diplomats in Islamabad said at the time that they were unable to confirm the report.

Strauss Sees More Trade With Soviets

MOSCOW (AP) — Franz Josef Strauss said Wednesday he expects greater cooperation in trade and arms control between West Germany and the Soviet Union, but he doesn't foresee much political change for Soviets.

Mr. Strauss, the premier of the West German state of Bavaria, spoke after three days of talks with the Soviet leader, Mikhail S. Gorbachev, Foreign Minister Eduard A. Shevardnadze, and other Kremlin leaders.

Mr. Strauss said Mr. Gorbachev called the visit a "sign of a new political era."

Mr. Strauss said he did not conceal from the Soviets his reservations about the treaty signed Dec. 8 by Mr. Gorbachev and President Ronald Reagan to scrap intermediate-range nuclear missiles. "We did not hide" that the Washington treaty does not increase our security," Mr. Strauss said.

For the Record

The Turkish government of Prime Minister Turgut Ozal, formed after a national election victory by his Motherland Party last month, won a vote of confidence Wednesday from the single-house Parliament. (AP)

The Dutch police announced the arrests of two suspects in the kidnapping of Gerrit Jan Heijn, vice president of Ahold NV, the food retailer. The police said Mr. Heijn was now officially presumed dead. (AP)

Prime Minister Robert Mugabe was proclaimed Zimbabwe's first executive president on Wednesday at a five-minute session of the country's two houses of Parliament. (Reuters)

TRAVEL UPDATE

Greece put into force emergency measures on Wednesday to combat smog in Athens, including restrictions on traffic cars and taxis with numbers ending in even figures would be banned from the city center on Wednesday and those with numbers ending in odd numbers would be kept out on Thursday. (Reuters)

World airline traffic rose 13 percent this year with passenger flights for the first time passing the one billion mark, the International Air Transport Association said Wednesday. But prospects for next year are less promising because of the fall of the U.S. dollar and stock market declines. (UPI)

Italian airport ground workers will resume their strikes at airports next month after a truce over the holiday period. The strikes over contract disputes are due to start Jan. 8 with an eight-hour stoppage. (AP)

Arab and Israeli visitors helped to give Egypt a bumper year for tourism, and revenue should more than double to \$2 billion, the tourism and civil aviation minister, Fouad Sultan, said in Cairo. (Reuters)

The union representing pilots of Air Inter, the French domestic airline, said Wednesday that it would call off a scheduled New Year's Eve strike so that holiday travelers could reach their destinations. (AFP)

U.S. Cardinal Disputed on AIDS Policy

By Ari L. Goldman
New York Times Service

NEW YORK — The president of the U.S. Catholic Conference has insisted that the nation's Roman Catholic bishops stand by a policy paper that gave qualified support for teaching about condoms in AIDS education programs.

The statement Tuesday by Archbishop John L. May of St. Louis, Missouri, challenged a report from the office of Cardinal John O'Connor of New York suggesting that the AIDS policy was being held in abeyance and would be reviewed when all 300 bishops met in June.

Cardinal O'Connor has been a strong opponent of the policy paper, which has divided the bishops.

The conflicting statements by two influential Catholic leaders left the church's policy on acquired immune deficiency syndrome in confusion.

On Monday, Cardinal O'Connor's office made public excerpts from a letter to the bishops from Archbishop May, dated Dec. 17. The excerpts were intended to support the cardinal's position.

In a 30-page document, the bishops wrote that, although Catholics were not permitted to use condoms, it was appropriate to teach, even in Catholic schools, that the use of condoms helps prevent the spread of the disease. "Some people will not act as they can and should," the bishops reasoned.

On Monday, Cardinal O'Connor's office made public excerpts from a letter to the bishops from Archbishop May, dated Dec. 17.

The excerpts — and the conclusion that the cardinal's office drew from them — were reported Tuesday after Archbishop May's office declined to provide the full text.

A summary of the text, made public by Archbishop May, said that the AIDS policy was still in effect. In the letter, he wrote that the policy "is neither being withdrawn or temporarily set aside." He said it would be open to reconsideration by the bishops at the meeting in June only if the administrative board agreed to put it on the agenda.

Cardinal O'Connor's chief spokesman, the Reverend Peter G. Finn, said he took full responsibility for a press release that suggested otherwise. "I regret any confusion I've caused," he said.

U.S. Supercollider Sites Narrowed to 8

By Robert Gillette
Los Angeles Times Service

WASHINGTON — The National Academy of Sciences has recommended sites in eight states as finalists in the competition for the \$4.4 billion superconducting supercollider, a particle accelerator that would be the largest scientific instrument ever built.

Prompted by leaks from two members of Congress, Senator Jesse Helms, Republican of North Carolina, and Senator Phil Gramm, Republican of Texas, the academy confirmed that it has recommended to the Department of Energy eight "best qualified sites" in Arizona, Colorado, Illinois, Michigan, New York, North Carolina, Tennessee and Texas.

If Congress authorizes funds for the 53-mile-long (85-kilometer-long) accelerator, it would be built and run by the Department of Energy. But its approval is by no means assured.

With all but eight of the states competing for the site now out of the running, "there's going to be the usual reluctance you get when somebody else gets the prize," said Representative Vic Fazio, Democrat of California, whose state was among the losers. "This is going to be compounded by the budget restrictions on research and education in general."

Congress appropriated only \$25 million of the \$35 million the Reagan administration requested for the civilian supercollider project in the 1988 fiscal year. No funds are provided for construction.

The Department of Energy is to select a "preferred" site by July and a "final" site in January 1989, after assessing the project's environmental impact. This timing leaves it to the next president to determine whether the supercollider will be built and, if so, when and where.

The accelerator would be an oval tunnel 53 miles in circumference, at least 35 feet (10 meters) underground. Ten thousand superconducting magnets lining the 10-foot-wide tunnel would accelerate counter-rotating beams of protons that would collide with an energy of 40 trillion electron volts, or 20 times the energy achievable with existing machines.

The resulting showers of subatomic particles, mapped and measured in detectors weighing as much as 40,000 tons, are expected to shed new light on the basic relationships between energy and matter.

President Ronald Reagan endorsed the project in January to help preserve U.S. leadership in high-energy physics into the 21st century. The collider project, and its promise of 2,500 permanent jobs, a \$250 million annual federal payroll and international prestige, has sparked intense competition among state governments and congressional delegations.

In commissioning the academy of sciences, the government's oldest and most prestigious source of independent scientific advice, Secretary of Energy John S. Herrington said in February that he wanted to avoid political considerations in selecting a site.

Reports of the committee's recommendations, however, emerged first from Mr. Helms of North Carolina, one of the eight states still in competition. In a news conference an hour later, Mr. Gramm of Texas, which also was on the final list, attributed his information to Mr. Herrington.

U.S. Quietly Expels 2 Chinese Diplomats

By Mary Thornton
Washington Post Service

WASHINGTON — Two Chinese diplomats have been expelled from the United States after being detained last week by the Federal Bureau of Investigation because of suspected espionage, Reagan administration sources said Wednesday.

The State Department said only that the two Chinese diplomats had been asked to leave, and refused to characterize the case as an espionage incident.

The men were detained early last week after one of them, an assistant military attaché at the Chinese Embassy here, accepted what he believed were classified documents, the sources said. Because the two have diplomatic immunity, they could not be formally arrested or charged with espionage.

A State Department spokeswoman, Phyllis Oakley, said: "On Dec. 22, the Department of State asked the Chinese Embassy to arrange the departure from the United States of two Chinese diplomats. The two individuals were engaged in activities incompatible with their diplomatic status. I understand that they have left the United States."

Mrs. Oakley said that the two were the first Chinese diplomats asked to leave the United States since diplomatic relations were established with China in January, 1979. But she said the incident had not damaged relations between the two countries.

She would not provide further details on the identities of the two men or on the activities they allegedly were involved in.

Wu Zhaoguo, a spokesman for the Chinese Embassy, said the two men were expelled from the United States.

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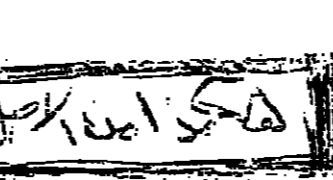
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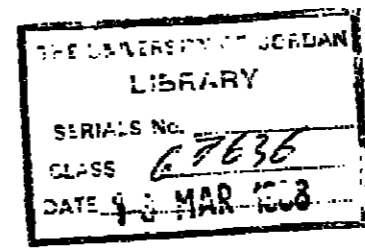
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One of a series of messages from leading companies of the world appearing during the IHT's anniversary year.

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OPINION

Herald INTERNATIONAL Tribune

Signals for the New Year

In 1988 it will be hard to repair the economic damage of which the stock market crash, Black Monday, was but one reflection. Higher unemployment, intermittent exchange rate chaos, increasingly venomous trade relations and international debt default may become more marked. Economic degradation has not yet poisoned the world political scene, but that day could come.

Political circumstances in the democracies — the electoral cycle — may not permit much immediate improvement of economic policies. Modern democracy dictates that fundamental considerations are subordinated to the needs of short-term political gain. Whether in Washington, Brasilia, Tokyo or the capitals of Western Europe, pursuit of re-election impels politicians to espouse soft options that they regret when they win office.

INTERNATIONAL HERALD TRIBUNE

A Way to Help Haitians

The junta that destroyed an independent election at gunpoint a month ago hopes to legitimize dictatorship in an electoral travesty scheduled for Jan. 17. General Henri Namphy now demands that voters hand their ballots directly to his soldiers. Candidates representing some 90 percent of the electorate have properly declined to participate under these circumstances, refusing to lend legitimacy to a cynical exercise. Yet the Reagan administration, which presents itself as a sponsor of Haitian democracy, urges democrats to reconsider, unite on a single candidate and participate on the regime's terms.

realistic way to support Haiti's democrats and encourage a fresh, fair vote. Already Washington has suspended \$78 million in military and non-humanitarian economic aid. Pressure could be increased by more strictly defining humanitarian categories. An additional \$50 million or more in World Bank aid might be frozen if Washington gave a strong lead. Together these steps would affect about a third of Haiti's annual budget.

— THE NEW YORK TIMES

Exit Deus ex Machina

A striking theory proposed in 1980 ascribed the sudden demise of dinosaurs some 65 million years ago to the fiery impact of an outside asteroid. Another explanation, duller and less often discussed, rejects catastrophes from the heavens and points to gradual processes on Earth, like changes in climate and sea level, as the likely agents of extinction.

He asserts that volcanoes pull out iridium, and can erupt with the explosiveness to shock quartz particles. The high sphericity of the clay could be just a concentration effect, and the glass droplets could have been made by algae. Besides, shocked quartz particles would only be punched up by a meteorite hitting rock on land. Impact on the sea bottom would hit a cushion of unshockable sediment. So where is the 150-kilometer crater the meteorite should have left?

— THE NEW YORK TIMES

Other Comment

A Hemisphere in Crisis
The bald statistics of a report from an agency of the United Nations disclose the enormous economic, political, social and in the end human personal distress that afflicts Latin America and its 416 million people. "In 1987, the economic crisis that Latin America has been suffering since the beginning of the present decade was aggravated," according to the UN Economic Commission for Latin America and the Caribbean. It states the obvious: "The deterioration of internal social conditions increases the challenges faced by the processes of building democracy in the region."

tries have not met their repayment schedules. A successful Brazilian businessman told us a story he heard from his grandfather: "If you lend money to a man and he says he will pay you back, you can believe him or not. But if you lend money to a man and he says he will not pay you back, believe him."

— The Los Angeles Times

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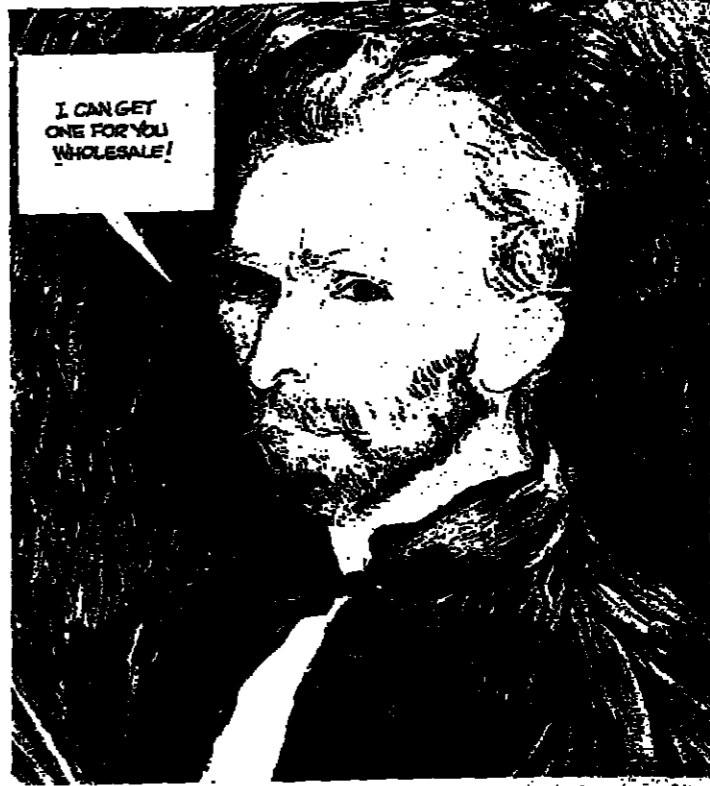
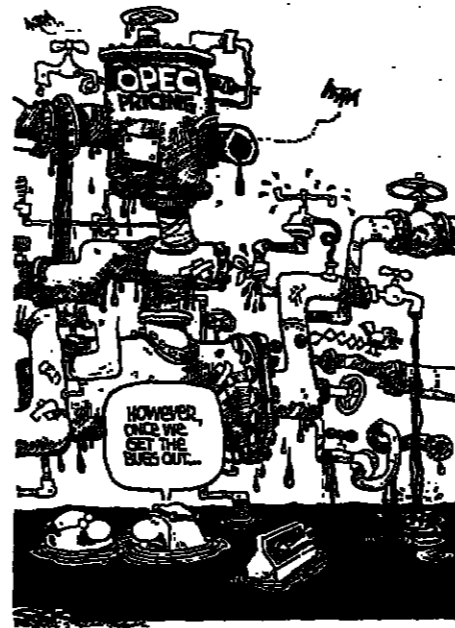
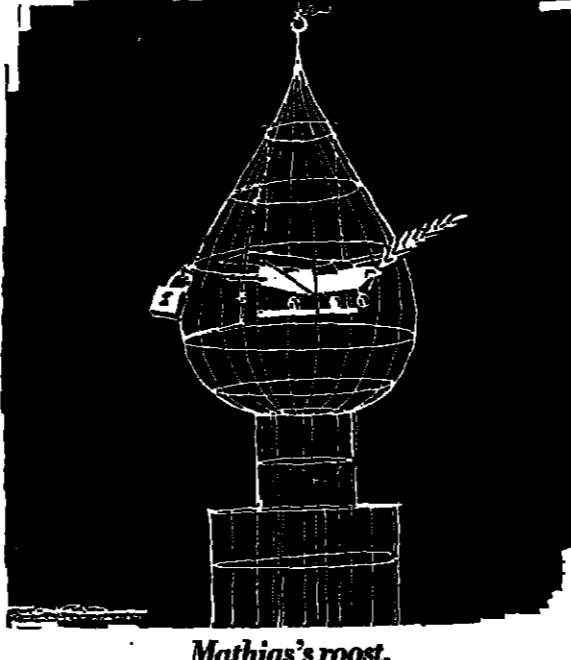
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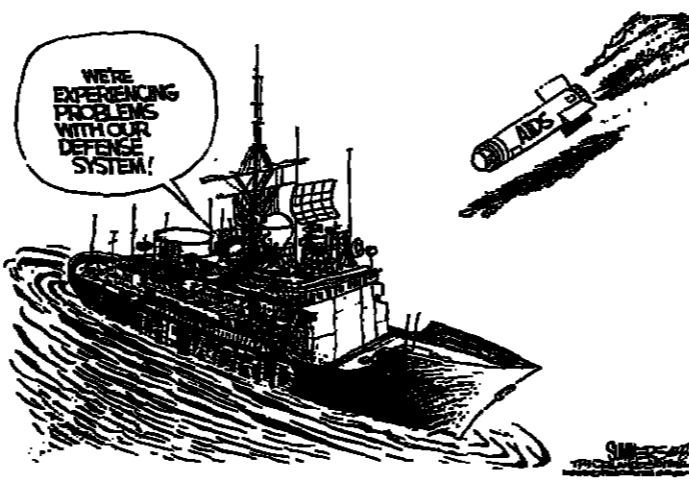
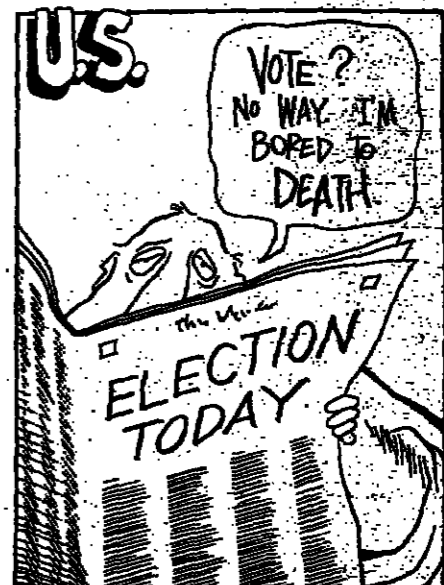
Winners, Losers and Other Survivors

By William Safire

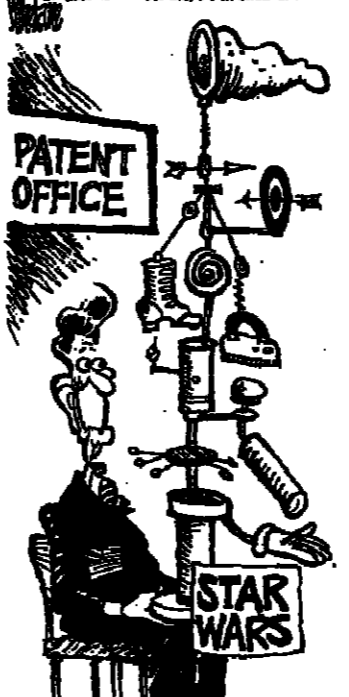
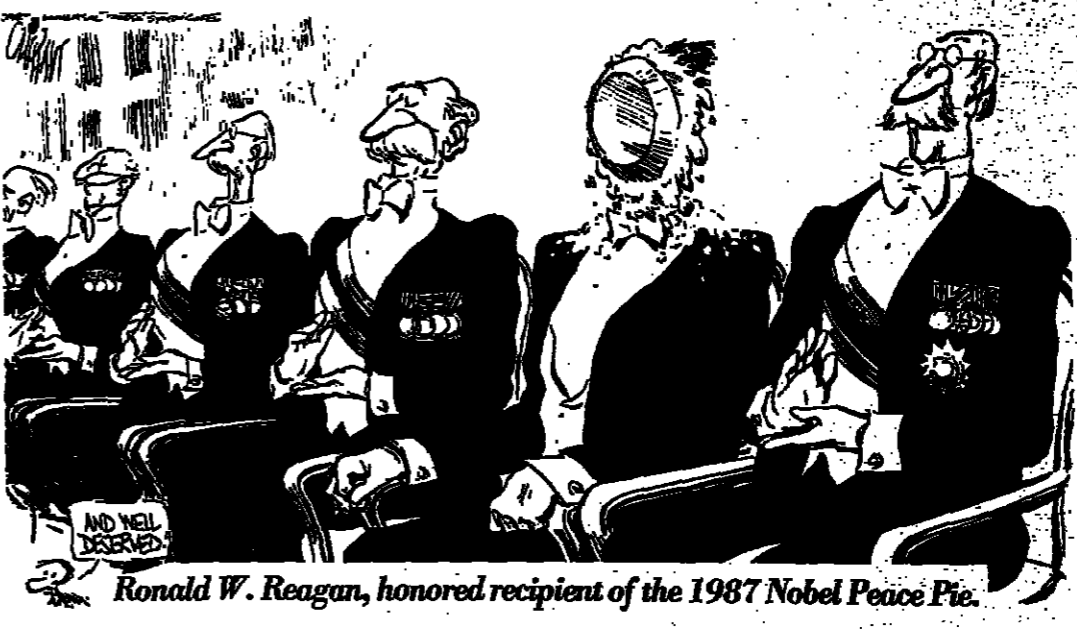
WASHINGTON — What poor prognostication in this space last year; I even predicted that the stock market would go down, and of course it has risen a bit since last year-end. This year I resolve to bet my hopes, instead of merely my expectations.

override the president's veto of trade protection; (c) ratify the medium missile treaty with non-killer reservations; (d) all of these.

subsidized grain sales to the Russians; (d) the late entry of Mario Cuomo to stop Gary Hart.



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100, 75 AND 50 YEARS AGO

1887: Dull Year's Close

NEW YORK — Stocks were dull and changes insignificant (Dec. 30). Brokers are too grim to make the usual racket at the winding up of the year. All the exchanges remain closed until Tuesday (Jan. 3). It has been the dull-est year in stocks since 1879.

New Year. At the Piccadilly Hotel there will be 1,300 at supper, and a dance in the two ballrooms. On the stroke of twelve, the rooms will be plunged into darkness, while the Westminster chimes will be rung. As a fanfare is blown, the room will be suddenly illuminated by thousands of tiny lamps concealed behind roses and other flowers. The orchestra will strike up "Auld Lang Syne."

1912: The Parting Guest

LONDON — 1913 will be ushered in in most of the leading hotels here tonight (Dec. 31) by great gatherings of people who will dine, dance and make merry as they "speed the parting guest" and welcome the bright

1937: Not That He Cares

PARIS — [A reader writes:] Since everybody is having a merry time about Centigrade and Fahrenheit and freezing point in the Millig, I would like to know how to figure 20 degrees Centigrade into Fahrenheit. Not that it does make any difference to me because we tip here in St. Moritz get a kick out of looking at a thermometer showing anywhere between 5 and 20 degrees below zero, then going out skiing with our shirt-sleeves rolled back, actually basking in the warm Swiss sun.

OPINION

A Tactic for Conservatives: Pre-Empt a New Populism

By George F. Will

NEW YORK — "I create nothing. I own ... I buy and sell what's already there." So speaks Michael Douglas portraying a Mephistophelian financier in the movie "Wall Street." In one scene he delivers a close approximation of the "greed is good" homily that Ivan Boesky once served up to a commencement audience. Have we met this man before? Yes, in April 1920.

"He was 46 years old now, in April 1920, and he made nothing in particular, neither butter nor shoes nor poetry, but he was nimble in the calling of selling houses for more than people could afford to pay." George F. Babbit was created by Sinclair Lewis in an era punctuated by a crash.

Judgment upon Ivan Boesky and Michael Deaver coincided with another crash. Their cases feed the cynicism that fuels the peculiar populism of "Wall Street," the movie. And the cultural phenomenon of revision against certain mores of contemporary capitalism is politically portentous.

Populism always is the politics of resentment — resentment of railroads gouging farmers, of manufacturing monopolies, of Washington. Comes now, in "Wall Street," upper-middle-class populism, the resentment of those who feel disadvantaged regarding leveraged buy-outs. However, it is hard to arouse a mass movement against institutions and practices unfamiliar to the masses.

Laws regulating uses of information (see Mr. Boesky) and restrictions on Washington advertising (Mr. Deaver) invariably draw wavy, blurry lines. It is precisely this imprecision that allows for ambiguities that can tempt people over the indistinct lines into corruption. The portrayal of temptation is the strength of "Wall Street."

The director, Oliver Stone, who also directed "Salvador" and "Platoon," makes political films that frequently become agitprop. "Wall Street" does that when Mr. Douglas spouts statistical rubbish about America's distribution of wealth. This movie is laced with economic baby talk: We should "create" instead of living by the buying and selling of others, and capitalism is "a zero-sum game" in which money is not made or lost, it is only "transferred."

"Wall Street" is a morality soap opera. It is a slick 1980s idea of "Waiting for Lefty," with a working stiff (the father of the young corrupted broker) as moral paragon. But Mr. Stone has part of a point and is not alone in seizing it. Caryl Churchill's play "Serious Money," which lampoons the frenzy of London's stock market, is a hit off Broadway and will be an even bigger one on Broadway beginning in January.

Like "Wall Street," "Serious Money" stresses the antic mayhem of today's capital markets. There are 30 telephones on the set and datter is the constant background to a script delivered almost entirely in rhymed couplets. With manic inventiveness, Caryl Churchill's staggered fills the theater with a torrent of randomness. The plot, such as it is, is hard

to follow, and that is part of the point. In "Serious Money," contemporary capitalism is portrayed as "half routine, half Space Invaders." In "Wall Street," the investing public, unlike the inside-traders, is described as "out there throwing darts at a board."

A moral vulnerability of capitalism today is the belief that too much wealth is allocated capriciously, not only by the randomness of luck but by morally tainted shortcuts around a level playing field for all competitors. But the legitimacy of the economic order depends on a consensus that, on balance, rewards are rationally related to the social value of the effort involved.

Legitimacy also depends on the belief not only that careers are open to talents but also that investors have reasonably equal access to a valuable commodity — information. Furthermore, in a modern economy where government permeates economic life, another precious commodity is access: the ability to address decision-makers.

Ronald Reagan should pay more attention to the movies, at least "Wall Street." The Republican Party is the conservative party and conservatism celebrates capitalism, so the Republic

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can Party is vulnerable to any decline in the social standing of capitalists. When will Republicans find their voices for denouncing those who subvert the consensus sustaining the economic order, beginning with inside-traders and access-exploiters?

Suppose the 1988 campaign is punctuated by indictments of persons ac-

used of white-collar crimes. If genuine revision is not sufficient, simple self-interest should move Republicans to do what "Wall Street" does. The movie expresses a moral anxiety: Too much wealth is being allocated in ways irrationally related to social betterment.

The economic system, the primary allocator of the benefits of American life,

is being drained of its legitimacy by the practices of people who are the conservatives' problem. Conservatives should be in a prosecutorial mood. Surely they should understand that discrediting economic arrangements is the essence of the left's agenda for expanding the role of the state as allocator of benefits.

Washington Post Writers Group.

Younger Eyes Seem to Know About an Unknown Strength

By Eugene Policelli

SOUTH WINDSOR, Connecticut — The flash of understanding ignited by a paradox can be startling.

Recently, in a municipal election debate when candidates presented their backgrounds, credentials and viewpoints, I said I had been in education for more than 20 years and rattled off the skills and qualifications I would bring to the board

been thinking of all children who have that mysterious contradiction — tremendous vulnerability and the strength to hold our love and change our lives.

Perhaps that was the paradox with which I was grappling: finding strength in weakness, meaning in superficiality. And so college students and children have given me gifts all these years.

I have met so many young people who would not take no for an answer. They overcome heavy odds fighting against a system that says they are, after all, only adolescents and incapable of determining their lives. I have encouraged them to persevere, and I have seen them succeed.

Little did I realize, however, that I was the one who went away from the encounters as a renewed man.

I have seen college students pull themselves up from failing grades to make the dean's list, overcome severe family problems to find self-esteem again and turn up a way to subsidize their education when financial aid was no longer available. And I also think of the little ones — my own and others. When do they ever acquiesce meekly to a negative response?

I have seen young eyes sparkle when I offered a challenge. They were willing to do whatever was necessary, to accept whatever hardship. Once convinced of the possibilities for change, these young people go at it with verve.

I recall how insightful young people are — how they circumvent the superficial and arrive at the essence of things. I hear them discuss social issues, the implications of science and heartfelt concern for the service of others.

I am in awe when I look at young children. They wish for peace, for an end to hunger, for harmony in their families, for love and understanding. They sense that somehow things could be different. From them I have received perhaps the best gift of all, the gift of hope.

We are admonished to see through the eyes of children. But sometimes it is difficult to clear our vision and to bend low enough to get a different perspective. In a sense, we all listen instinctively to children. In a department store or on a street, we turn in the direction of a crying child. Let us listen to the innocence of our little ones and to our young adults.

The paradox will endure: weakness and strength, innocent ignorance and wisdom, dependence and selfhood. I embrace the paradox. I am resolved to be grateful for and attentive to the "unknown strength that sustains the stars."

The writer is a career counselor at the University of Connecticut and a member of the board of education in South Windsor. He contributed this to the Hartford Courant.

MEANWHILE

of education. Then I almost lost my train of thought. I stammered but quickly recovered and concluded my remarks.

I realized that I was expatiating on what I would contribute to public service. Yet I had never taken the time to appreciate what 20 years in education had done for me. I was thinking specifically of what college students had taught me.

Later, I read a passage from G.K. Chesterton, the master of paradox: "Anyone whose childhood has known a real Christmas has ever afterwards an association between two ideas that most regard as remote from each other: the idea of a baby and the idea of unknown strength that sustains the stars."

Chesterton was speaking of the baby born in Bethlehem. But he might have

towers and listen to the public is pertinent to Washington and other capitals.

In 1983, Washington's citizens attempted to assume direct participation in a singularly important design issue involving a large block overlooking the White House. In an overwhelming vote, citizens enacted the Rhodes Tavern Preservation Initiative law. This act provided for a citizens' commission of laymen and experts to seek a design solution for preserving historic Rhodes Tavern (circa 1799), Washington's first town hall and oldest extant commercial landmark.

Citizens had one design solution already in hand providing for new construction around the tavern with no loss of rentable floor space. Individuals and interested organizations with proven fund-raising records were on board to provide financing. All this popular action was aggressively opposed on all fronts by a petty fraternity of planners, architects and developers. This gang was appalled at a precedent demonstrating that citizens cared enough about their history and environment to demand admittance to a clubby, closed review process.

Within a year, the considerable political leverage of developers prevailed to crush this "dangerous" citizens' movement. Rhodes Tavern, the only remaining building in Washington passed by every presidential inaugural parade held here, was demolished, with the nearly total acquiescence of Washington's elected and appointed establishment.

NELSON F. RIMENSYDER, Committee on the District of Columbia, U.S. House of Representatives, Washington.

LETTERS TO THE EDITOR

Emotionally Charged Photographs on the Front Page

As a regular and sympathetic reader for more than 20 years, permit me to express dissatisfaction with your recent photographic coverage of the events in Israel and the occupied territories. Repetitious use of one-sided, emotionally charged pictures on the front page is not in keeping with the objective style and factual content of your articles.

While events in Israel are serious and merit extensive critical coverage (and front-page photographs, when these contribute to the understanding of events), one-sidedness and disproportionate use can give the impression that the newspaper is carrying out a campaign against perpetrators of injustice (brutal, heavily

armed Israeli soldiers) and in support of innocent civilian victims (Palestinian children). I am sure this impression is not justified, but please understand how attached I am to a conception of journalism that sets the IHT apart: direct, factual, objective and nonsensational.

LAWRENCE ALLISON, Paris.

Anti-Israel bias is clear in the selection of a large picture on your Dec. 22 front page. Pictures are psychologically manipulative. This one conveys a message which belies your usual impartiality.

WALTER KRANZ, Locarno, Switzerland.

Watching Mikhail's Navy

Hurray for Prime Minister Ingvar Carlsson's uncompromising stand on intruding submarines ("Sweden Warns on Submarines," Dec. 21). Let us see whether it will bring glasnost to murky waters.

ROLF WIKLUND, Vandoeuvre, Switzerland.

Women and the Revolution

Your People column of Dec. 11 told of a young girl, Sarah Rosen, who had been named one of Ms. magazine's Women of the Year for protesting the exclusion of girls from the Bicentennial re-enactment of the signing of the U.S. Constitution. Girls were excluded, the column noted,

because women could not vote at the time — or so claimed the teachers. Many girls reportedly pointed out that nonwhite males did take part even though non-whites had not had the right to vote when the Constitution was written.

The girls were as wrong as their teachers. Women could vote at the time in New Jersey; they lost that right only 20 years later. And blacks were able to vote in most New England states. It is worth noting that the Constitution, before amendment, did not stipulate male gender as a requirement for public office. The Constitution did not include a color requirement, either, although naturalization laws would soon limit citizenship to white people.

Girls should have been included in the Bicentennial re-enactment in any case, because women played such a large role in winning the Revolution.

ELLIOTT R. BARKAN, Southampton, England.

The writer is visiting Fulbright professor of American history at the University of Southampton.

In Washington, Too

Cheers to the Prince of Wales for giving the stick to those responsible for deficient planning and mediocre architectural design in the United Kingdom and particularly in London (People, Dec. 3).

As a historian and a former member of the National Capital Planning Commission, I have long wished that someone at the highest levels of America's civic hierarchy would speak up about the disfigurement of Washington's skyline. The prince's observation about the need for experts to come down out of their ivory

Tribute to a Grand Lady

It was on Christmas Day, 1986, that Nora Isabella Samuelli, commonly known as "Bobbie," died in Paris at the age of 72. As a 20-year Senate staffer (now retired) who spent many hours on the Samuelli case, I wish to take advantage of the first anniversary of her death to pay a tribute to a grand lady.

Born in Romania in a prominent Jewish family, Bobbie was brought up by an English nanny, and English was really her first language. In 1944 she was taken on by the U.S. Legation in Bucharest as an assistant for information affairs. In 1949 she was sentenced to 15 years in prison as an "American spy." The trumped up charges were designed to force the closing of the U.S. Information Office, described as "that hotbed of American spies." After

serving 12 years of her sentence, Bobbie was released on the payment of ransom by relatives in the United States.

She and her family were granted refugee status in France. At this point she made the unhappy discovery that, while there had never been any question about back pay for U.S. nationals sentenced to prison clearly as a result of their employment by the U.S. government, there was no provision under U.S. law for foreign nationals in the same position.

She came to Washington to present her case personally. Officials in the State Department were sympathetic, but there was nothing they could do, so she turned to the Senate. Every senator and senatorial aide to whom she presented her story was completely won over. Before long she had a bipartisan coalition championing her cause. Changing the law is a long proce-

GENERAL NEWS

French TV Embraces Sexy Programs As Competition Warms Up, Limits on Explicitness Fade

By Edward Cody
Washington Post Staff Writer

PARIS — It was just another Saturday night on French television. The bare-breasted girl on the screen was chained to an iron bar. Mad Max, girded in leather, slowly passed the business end of his riot gun over her captive body, then threw her down on a pile of used tires and simulated not-so-consensual intercourse.

"These things are going further and further," said Béatrice Girault, a spokeswoman for M6, the channel that telecasts the scene into thousands of French homes. "And people are asking for more."

The M6 program, called "Sexy Clips," has joined a growing list of television sex shows that have taken France to a new frontier of what is acceptable over the airwaves. Private and newly privatized stations, eager for viewers and free from bureaucracy, have brought increasingly daring programming.

Proud of its liberal heritage and open-mindedness about sex, France has long struggled at torrid love scenes shown in films and later on prime-time television. Nude women have become ho-hum in advertising spots televised at any hour. But now, French television is showing sex for the sake of sex — and for the sake of ratings.

An American television correspondent who planned a story on the new programming said he had to abandon the idea for lack of suitable images. "There is no way we could show that on U.S. television," he said.

"The real novelty is that our television sets have begun showing eroticism as such," wrote the commentator Philippe Aubert in a recent edition of the newsweekly Le Point.

Canal Plus, a subscription channel that operates with decoding devices, has been showing hard-core pornography films at midnight one Saturday a month for the last three years. A production assistant at Canal Plus who asked to remain anonymous said the monthly porno

movie usually gets 20 percent of the station's regular viewing audience. Now mainstream stations, broadcasting to anyone with a television set, have started moving toward more and more explicit sex scenes. The most daring programs

"These things are going further and further. And people are asking for more."

— Béatrice Girault, an M6 spokeswoman

are on near midnight, but humorous striptease sequences and pin-up-style nude poses have been programmed earlier, as have vivid promos.

On M6, for example, "Sexy Clips" is preceded at 11 P.M. by "Charmes," on which women take off their clothes in a variety of skits. Just before midnight, a voice suggests in a bedroom whisper that it is time for "Sexy Clips" whereupon rock video frames are interspersed with sequences of a couple getting to know each other better at each appearance until by 1 A.M. they are nude and extremely well acquainted.

Marcel Bleustein-Blanchet, a pioneer of advertising in France

and founder of its largest agency, Publicis S.A., remarked recently that the sex shows on television have begun "a real revolution" in the French countryside. Many French farmers and villagers who had retained the more austere mores of their forebears, he said, now are staying up late to watch the new wave on television.

Pascal Breaugnot, another producer, became well known last year with her "Sexy Folies," a program of humorous sex skits, also on Antenne 2. Since then, she has moved, along with her program — rebranded "Super Sexy" — to the privatized TFI, "Super Sexy," at 10:30 P.M. on the third Wednesday of each month, has risen to 26 points in the ratings, in which each point represents 194,000 households, according to a production assistant.

Yvon Lemaquand, That constitutes 75 percent to 80 percent of the market at that hour, he added.

"It is a funny, humorous program, and it approaches subjects that people consciously or unconsciously want to see," he said.

Although nudity, straightforward language and sexual situations are the program's mainstay, the show has set itself limits and is distinguished from other sex shows because it seeks to make people laugh, Mr. Lemaquand explained.

The National Commission on Liberty and Communication — the country's official television oversight board — can ask to see file copies of the sex shows, but so far the government has not sought to restrain them.

Holocaust 'Lesson' Disowned

The Associated Press

BONN — A manual for military administrators that cited the gassing of the Jews as a "victory of economic principles" led to a protest and to its repudiation by the Defense Ministry on Wednesday.

Ministry officials in Bonn said that the manual was an unofficial publication and that the article written by Rainer Reinhart, the vice president of the 7th Military District administration in Bavaria, was only meant to state an extreme conclusion of economics.

Heinz Galinski, the president of the Jewish community in West Berlin, called it a "flagrant disparagement of the memory of the mur-

dered and the evidence of alarming anti-democratic thinking."

The passage he criticized said: "This poses the fundamental question whether economy as a formal principle under a power dedicated to serve public welfare can be applied universally. If we look at it from the point of view that the end justifies the means, then the use of poison gas for the mass extermination of Jews instead of individual executions also was a victory of economic principles."

It added that the "frightful episode" showed that the principle of being economical could and must be only one of the principles governing behavior in a democracy.

Get a taste of Mom's pumpkin pie. Call home.

You can just see her, testing the crust with her fork, as if every pie she's ever made hasn't been perfect. Tell her this one will be great, too. Go ahead. Reach out and touch someone.®



DEATH NOTICE

Henry COTTON on December 22nd suddenly, peacefully, at King Edward VII Hospital, London, beloved husband of the late Toots and dearest step-father of Isabel and the late Nellie Moss. Memorial service to be announced.

Handwritten signature or mark at the bottom of the page.

Fasting by Iranians Now in the 4th Week

Protest Continues Over Expulsions To Gabon of Khomeini Opponents

By Barry James
International Herald Tribune

PARIS — A simple bathroom scale daily tells a story of stubborn hope and dwindling strength for 40 Iranians in Paris who say they will starve themselves to death in a test of will to force France to bring back 12 Iranians it expelled to Africa more than three weeks ago.

The 12 were put on a plane to Libreville, Gabon, on Dec. 8 as troublemakers, along with two Iranians who happened to be visiting Paris from Britain and Sweden and three Kurdish nationalists from Turkey.

The hunger strikers, members of the exiled opposition to Ayatollah Ruhollah Khomeini, the Iranian leader, contend that the deportations were part of a deal with the Khomeini regime to gain the release of French hostages. One hundred and twenty U.S. congressmen and hundreds of legislators from around the world have sent messages protesting the expulsions of the Iranians, most of whom had formal refugee status in France.

In the Paris suburb of Neuilly-sur-Seine, the hunger strike outside the office of the United Nations High Commissioner for Refugees has entered its fourth week. In Libreville, 11 of the expelled Iranians, along with the French wife of one of them, also are on a hunger strike, and similar fasts by Iranian exiles are taking place in London and Washington.

"We are ready and very determined to go to the bitter end," said Assadi, 33, one of those expelled, said in a telephone interview from Libreville. "We have made the pledge among ourselves that either we go back to France or we will all die here."

In Paris, Ahmad Raffi, 32, echoed Mr. Assadi's words. "We will go to the end, no matter where that may lead us — to death, or until they come back."

Doctors examine the hunger strikers every day in a camper parked outside the UN office in Neuilly. The bathroom scale shows that some have lost 12 kilograms (26 pounds) or more after 22 days on a diet of sweetened tea and water. The doctors warn that several are approaching a critical condition, and nine have been taken to the emergency ward of a hospital nearby. But they come right back.

In another camper, several hunger-striking women were bundled inside sleeping bags to conserve heat and strength. Other demonstrators pass the nights in parked cars, or sitting on sheets of cardboard on the sidewalk.

"We didn't think it would go on this long when we started," said Hassan Nayebaghia, 37, a soft-spoken sociologist who trained at the University of California at San Diego. "But we would have done it just the same had we known." Most of the hunger strikers are relations or close acquaintances of those who were expelled.

Mr. Nayebaghia said there would have been no such protest had the Iranians been expelled on the orders of a French court. But he said the French government broke its own laws by expelling them summarily despite the fact they had, or had applied for, formal refugee status.

"It will be a terrible stain on France's reputation as a land of asylum if any of these people die," said Behzad Naziri, a spokesman for the Mujahidin Khalq resistance group, which is coordinating the hunger strikes.

Mr. Naziri said more than 1,000 members of parliament from several countries have signed motions appealing for the return to France of the expelled Iranians. The U.S. congressmen, including three presidential candidates, Senators Albert Gore Jr., Jack Kemp and Paul Simon, signed appeals to President Francois Mitterrand, which were published as an advertisement in the newspaper Le Monde.

The expulsions occurred after France and Iran agreed to end a five-month standoff in which each had blockaded the other's embassy. France released an Iranian official wanted for questioning in connection with a series of bombings in Paris, and Iran in turn released a French diplomat it had been holding since July. An Iranian-backed militia in Beirut also released two French hostages as an apparent part of the deal, but three other Frenchmen are still being held in Lebanon.

The Iranians in Libreville say they believe they were an unwitting party to the agreement, and that they were expelled to appease Ayatollah Khomeini. "We have been torn away from our families in France," Mr. Assadi said. "We are just like the hostages in Lebanon who have also been separated from their families by force."

Although Mr. Assadi is international secretary of the Mujahidin Khalq and well known in French political circles, and although he acknowledged that some of the expelled Iranians solicited signatures for anti-Khomeini petitions, he said none of those expelled had ever violated the terms of their refugee status, which forbids active political involvement. The French government said they had "threatened the peace" in France.

Mr. Assadi said three of the hunger strikers in Libreville are in a hospital, including two women students.

One other woman was too ill on her arrival in Libreville to begin the hunger strike, he said. Another of the exiles, Hassan Habibi, has a French wife, a nurse who later flew to Gabon and joined the fast.

Mr. Assadi said the Iranians, who were arrested in pre-dawn raids, were sent to Libreville without money or even a change of clothes, and have been confined to their hotel since they arrived, apart from visits under guard to the hospital.

"We don't pay for our hotel because we were brought here by force," he said. He added that President Omar Bongo visited the exiles on Dec. 16 and promised he would use his influence to obtain their return to France.

Two of the 17 persons originally put on a plane to Gabon were later released when it was found they had valid refugee papers issued by the British and Swedish governments and had been only visiting Paris. As for the three Turks, "we are not sure why they were included," said a spokesman for the Turkish Embassy in Paris. "But since they had political refugee status in France, we have not officially intervened."

"They don't know themselves why they were included," Mr. Assadi said. "We met them for the first time on the plane. They speak no Farsi and little French, so we have a lot of difficulty communicating with them. But they also have wives and children in Paris."



A man warmed himself Wednesday over a steam vent in Philadelphia.

Temperatures Fall Below Freezing in Northeastern U.S.

The Associated Press

NEW YORK — Temperatures fell below zero degrees Fahrenheit (minus 18 centigrade) overnight Tuesday across northern New England and upstate New York. The region's homeless sought the warmth of shelters, some of which had to turn people away for lack of space.

The Boston and New York police were pressed into service Tuesday night and early Wednesday to get the homeless to shelters. In northern New Jersey, shelters were full or nearly full. The wind chill factor increased the suffering of the homeless. The cold weather also extended to the West and the Southwest. A Dallas shelter for the homeless had shut down because some occupants broke no-smoking rules was reopened on Tuesday. In Los Angeles, officials agreed to keep emergency shelters operating for homeless persons.

TRADE: Growth in Exports Is Helping U.S. Economy

(Continued from Page 1)

While the improvement in trade appears to be firmly rooted, other areas may prove unconvincingly erratic next year.

"I think '88 is going to be a year of stumbling and staggering growth," said Donald H. Straszheim, chief economist for Merrill Lynch Capital Markets. Financial markets, he added, will be highly volatile.

Economists can only make educated stats at such basics as what will happen to the price of oil, how fast the trade deficit will improve or how much psychological damage was inflicted by the evaporation of half a trillion dollars from investors' portfolios.

The stock plunge caused most analysts to lower estimates of next year's growth in GNP, but some have since restored part of the markdown.

The most common professional guess is that GNP will grow about 60 percent as much as this year's moderate expansion, not yet finally determined, of about 3.25 percent.

The 51 participants in a poll conducted by Blue Chip Economic Indicators, a newsletter, put next year's GNP growth at 1.5 percent after removing the effects of inflation.

Among members of the National Association of Business Economists, a consensus shows the economy growing by 2 percent.

Last week the Reagan administration projected 2.4 percent growth, a target that assumes stepped-up expansion by other countries and a Federal Reserve monetary policy more accommodating than it has been in most recent months.

The administration also projects that the Consumer Price Index will decline about half a percentage point, to 4.3 percent, over the coming year while unemployment averages 5.8 percent, the rate that now prevails.

A number of factors, however, Ruling Impedes Merger in Detroit

The Associated Press

WASHINGTON — An administrative law judge recommended Wednesday that the Justice Department reject a bid by the Detroit Free Press and The Detroit News to merge their noneditorial operations.

Judge Morton Needleman told Attorney General Edwin Meese 3d that the Free Press "does not qualify as a failing newspaper," as asserted by the owners.

The decision on whether to allow the merger now rests with Mr. Meese. The parties in the case have 45 days to make their final arguments. Gannett Co., owner of the News, and Knight-Ridder Inc., owner of the Free Press, contend that the partial merger is needed to keep the Free Press in business and to end losses at the papers.

This time the applause did not begin on the front benches, but in the rear, where the provincial officials were sitting.

"What Ceausescu showed was that at least he was not totally out of touch with the people's anger," said a foreign analyst. "Everyone thought he was isolated and did not understand how much the Romanian people were hurting from his policies."

Palestinian Lawyers to Boycott Trials of Protesters by Israelis

By John Kifner
New York Times Service

NABLUS, Israeli-Occupied West Bank — Arab lawyers announced boycotts of military trials of Palestinians rounded up on the West Bank after two weeks of widespread disorders.

"By working on these cases, we are granting legitimacy to what the authorities are doing," said Jawad Bouhs, a lawyer, after a meeting Tuesday in which defense attorneys, in effect, decided to join a strike by Gaza Strip lawyers to protest the military tribunals.

The system of military justice in the occupied territories has long been controversial, with Palestinians asserting that it is arbitrarily applied.

A Palestinian from the Gaza Strip, Mustafa Issa al-Baik, 17, died overnight Tuesday in an Israeli hospital, the army said, of a bullet wound in the head suffered on Dec. 21. His death raised the fatality toll to at least 22 protesters.

Israeli troops and security men have rounded up nearly a thousand Palestinians; the army gives the figure as 900. Many of them were caught in sweeps at night through refugee camps and Arab villages.

The sweeps are continuing. The Palestinian Press Service reported that 15 more persons were arrested in the Gaza Strip and 25 from various towns in the West Bank.

The authorities seized nine men identified as Palestinian militants, five of whom had been released from Israeli jails in a 1983 prisoner swap with the Popular Front for the Liberation of Palestine-General Command organization headed by Ahmed Yehli.

There was speculation that the nine might be candidates for deportation and administrative detention are punishments imposed by the Israeli authorities in the occupied territories that are separate and distinct from the military trials now going on.

The United States has been openly pressuring Israel not to impose deportation.

But Israeli officials have publicly rebuffed the U.S. advice. Prime Minister Yitzhak Shamir declared that "Israel knows how to defend its peace and security."

The 10-man inner cabinet met to discuss the question of expulsions. The ministers refused comment as they left the meeting.

Security officials are believed to have drawn up lists of dozens of Palestinians who they would like to see expelled but are awaiting the difficult political decision by the government.

The independent newspaper Ha'aretz, suggested in an editorial that the U.S. advice should be rejected, saying that "according to accepted opinion — based on 20 years of experience — the expulsion of subversive elements and riot organizers to Jordan is a preventive and deterrent measure of unparalleled efficiency."

Both Jordan and Egypt have said they would refuse to accept any Palestinians expelled by Israel.

Deportations, should they be decided upon, would likely not take place overnight. There is an appeals procedure, to a military advisory committee whose recommendation is not binding, and lawyers representing Palestinians have vowed to use it to slow the process.

In addition to deportation, which the Israelis say is sanctioned

Troubles in Gaza Stir Palestinians in Egypt

By Alan Cowell
New York Times Service

CANADA CAMP, Egypt — The trouble did not spill over here, but the anger did, and so did the fury.

This is Egypt's only Palestinian refugee district, a razor-wire fence away from the Israeli-occupied Gaza Strip. That strip has been one theater of the anti-Israeli protests in which at least 22 Arabs have been killed in recent weeks.

Like those across the wire, the people here are Palestinian, from the same families, yet separated from them by a cartographer's pen-stroke. When frontiers were appointed by the 1979 Camp David peace agreement, the lines were drawn across Britain and the Ottoman Empire, which then ruled Palestine.

Those lines from the past cut through an unforeseen modernity, leaving 5,000 Palestinians marooned in Egypt, apart from the 600,000 in the crush of Gaza.

If Palestinians are often cast as unwanted folk, those here seem doubly so. An irritant sometimes to the Egyptians, and unwanted — the young, angry ones, at least — by the Israelis. Many seek to go to Gaza, an occupied land in the harsh grip of turmoil, because it is perceived as offering jobs and reunions.

"It is a catastrophe," said a teacher from the school that turns out teen-agers with no jobs or prospects. "We want to go back. We cannot."

When they hear the rumblings of protest, across the wire, and see the smoke of the protesters' fires, "we are sad," he said, adding: "They are our brothers. But we can only resist in Palestine. We cannot resist in Egypt. Here, we must be polite."

There have been no street protests in Canada Camp, he said.

Many residents say they have been promised a place in Israeli-occupied land by the occupation authorities, and want to go. But Egypt is supposed to pay an \$8,000 relocation fee for each family to move. It has not done so, apparently because of its domestic economic troubles, and some say the financial restraint is a principal obstacle keeping them from moving to the Gaza Strip.

In any event, the elders say, Israel has barred all men 17 to 26 years old from crossing the wire.

And so, as the fighting has flared and flickered in Israel's occupied lands, the protest has touched a lost sense of nation.

"We want to go back, even if we are killed," said a young man who spoke with the bravado that is made easy by the impossibility of its redemption. "We want to be with them, our brothers, and resist the Israeli. Our families are there. But we can do nothing because the Egyptians will stop us" from staging protests on Egyptian soil.

And yet, in recent weeks, his small place, whose motto on a sign board, proclaims "solidarity is next to godliness," has come to know some stirring of unaccustomed violence.

On Dec. 1, assailants as yet unidentified according to an Israeli patrol along the wire with hand grenades and an assault rifle, wounding an Arab scout and fleeing back to Egypt.

That, in turn, led to retribution.

The wire that severs Canada Camp from the Gaza Strip is called the shouting fence because it is there that people will gather to trade talk and news with family members on the other side, 15 unbridgeable yards (14 meters) away.

Brides are brought to the wire to be displayed and acclaimed, and funerals pass along the wire, too, to receive keening tribute to the dead from the other side. After the Dec. 1 attack, Egypt prohibited talk across the razor wire and the shouting fence is stilled.

The stories of separation are legion. A 6-year-old girl, it is said, asked her father across the fence for a birthday gift. A woman, married on one side, has her parents and children on the other.

Mayor Atia Abdel Aziz said permits to cross were given twice a year, except to the men 17 to 26 years old, who are not allowed to pass in either direction.

Canada Camp, named for a Canadian unit performing a peacekeeping role in the 1960s, filled with Palestinians in 1976; the mayor said, after the Israelis, then occupying Sinai, decided to build a road in the Gaza Strip and moved them to make way for it.

There are few jobs, the mayor said, so the United Nations distributes relief supplies; and a person with money can purchase Egyptian rations of flour and oil and sugar at the equivalent of \$15 a month.

AFGHAN: Kabul Says Siege Is Over but Rebels Deny It

(Continued from Page 1)

mat monitoring the fighting said that it was inevitable the 50,000 troops would battle past the guerrillas and reach Khost, but he said he was skeptical their arrival would end the siege.

"The mujahidin reportedly intend to maintain the siege for as long as possible with the hope of improving their control of the area," the diplomat said, "and thereby opening up new supply routes in the strategic center of eastern Afghanistan." He said 6,000 to 10,000 rebels were in the area.

The diplomat quoted medical officials in Kabul as saying that morgues were overflowing with hundreds of dead and that hospitals were desperately short of blood and medicine.

Afghan guerrillas have kept Khost isolated since shortly after the Soviet invasion and tightened the noose this year by closing the airport as well as cutting the road.

Western analysts have described Soviet tactics in Afghanistan as leaving the most dangerous ground combat to Afghans while supplying artillery and aircraft support.

The Soviet Union entered Afghanistan to support a Communist government weakened by internal feuds and a civil war with Moslem tribesmen, and it is estimated to have more than 110,000 troops helping Kabul against the rebels, who are backed by the United States, China and Iran.

The reported lifting of the siege came shortly before a U.S. under-secretary of state, Michael H. Armacost, is due in Pakistan to discuss prospects for an Afghan peace settlement. A Pakistani official said President Mohammed Zia ul-Haq's government was hoping to hear a U.S. assessment of Soviet intentions in Afghanistan after the Washington summit talks.

Tass said that an Italian journalist, Fausto Biloslavo, reported missing on assignment in Afghanistan, and a French photographer, Alain Guillo, captured by Afghan government troops in mid-September, were to be tried.

Mr. Biloslavo, 26, a correspondent of the Trieste-based Albatros Press news agency, is being held by "Afghan authorities after his arrest in the defeat of a rebel group," Tass said, adding that "criminal action for illegally entering Afghanistan and joining the ranks of an armed anti-government group" has been started.

Mr. Guillo, 45, a free-lance photographer captured in the northern Fariab Province, was accused by Tass of "collecting information infringing on the state and military interests of the republic" of Afghanistan. The wording suggested he might be charged with spying.

Tass said that Western doctors and journalists entering Afghanistan with the guerrillas were actually military advisers. "Those are far from being tourist or reporters' trips," the agency said. (Reuters, AFP, UPI)

ALSACE: Still in the Middle

(Continued from Page 1)

some of the first German factories erected in the region.

"But then one saw that the Germans were investing and the French were not," he said, "and one said, 'Why refuse?'"

Alphonse Troester, a 36-year-old historian and mayor of the town of Rosheim, said, "Instead of being a French spearhead for the penetration of Germany, Alsace has become the site of the German penetration of France."

Belatedly, Paris has grasped what is happening in Alsace: "Now there is talk of a Franco-German army — the context is suddenly different — and now the government wants suddenly to promote the study of German," said Mr. Troester, an energetic proponent of a bilingual Alsace. "But German is not a foreign language; it is our language."

Strasbourg has a vocation even larger than a crucible of understanding between two ancient foes, Germany and France. The city is battling to retain its claim to be "the capital of Europe" — or at least one of Europe's capitals — as both the European Parliament and the Council of Europe hold their sessions in Strasbourg.

But the construction of new parliamentary quarters in Brussels has Strasbourg worried that the European Parliament might vote to move to the Belgian capital, which is already the heart of European Community activity.

Over lunch in a 14th-century restaurant next to Strasbourg's magnificent cathedral, Alain Howiller, the editor of *Derriere les Nouvelles*, said: Alsace was "a region that wants to be loved by the rest of France but isn't."

"We are a little too French for the Germans and a little too German for the French," said Mr. Howiller, who contended that Alsace should become unequivocally French. "Maybe it is better to make a choice and put an end to the dilemma."

DEPRIVE: Romanian Food Lines REEF: Shoring Up a Key

(Continued from Page 1)

Whether Mr. Ceausescu would be able to make good his promise was another matter.

"What he has given the people this month is a sop, a palliative, to get by the current unrest," noted another foreign analyst. "Now that his police are once more in place, his informers back in the factories, and the party conference out of the way, I fear we will see the food lines wither again for lack of food."

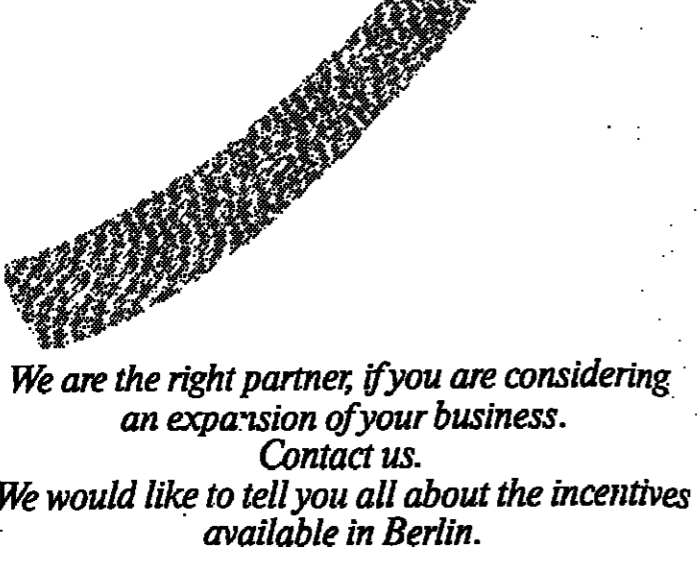
Immigration to Israel Is Up

Reuters

JERUSALEM — Israel received 13,658 Jewish immigrants in 1987, a 35-percent increase over the previous year, the Ministry for Immigrant Absorption said Wednesday. But of the 8,080 Jews allowed to leave the Soviet Union this year, it said, only 2,180 chose Israel.

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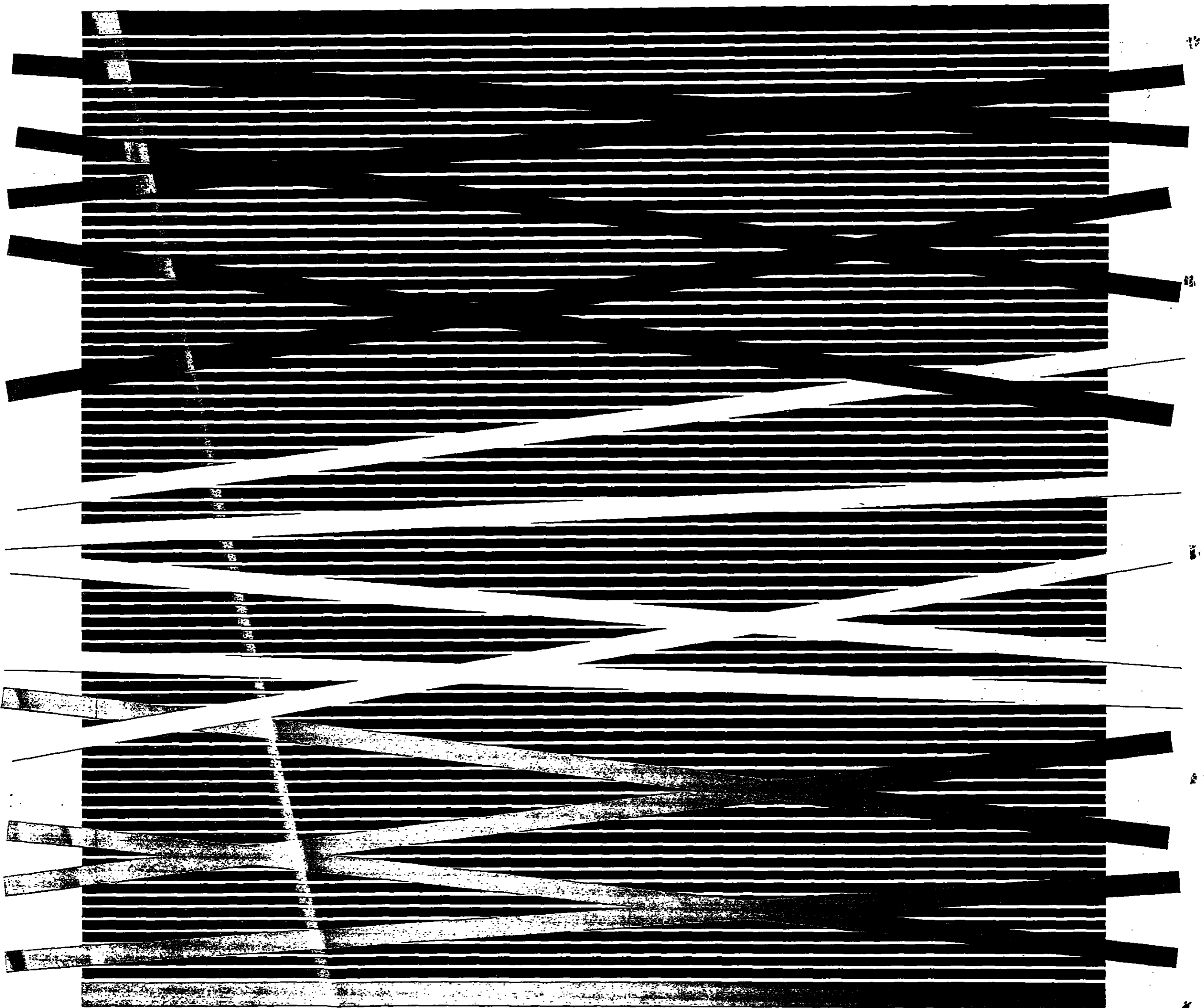


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THE FINE ART OF FLYING

by Jesus Soto



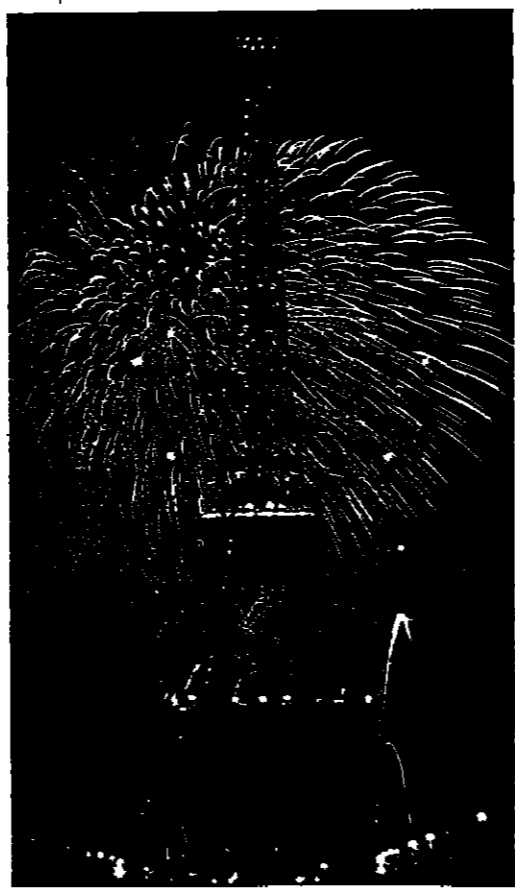
Air France recently commissioned a series of artists to capture its new spirit: The Fine Art of Flying. This composition titled, Linear Movement, was conceived by the Venezuelan artist and world traveller Jesus Soto. His work, exploring matter, space and their relationship with time, is on permanent exhibition in many museums around the world.

Jesus Soto

هكذا من القليل

Photo F. HIRALDO - Inaug Bank

MEILLEURS VŒUX
 SEASON'S GREETINGS
 GLÜCKLICHES NEUES JAHR
 FELICE ANNO NUOVO
 FELIZ AÑO NUEVO
 שנה טובה
 BOAS FESTAS
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 LA MULȚIANI
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SCIENCE

New Prostate Surgery Protects Sex Potency

By Walter Sullivan
A technique for surgery in prostate cancer is moving into widespread use as doctors find it can avoid the procedure's most feared side effect: impotence.

The advance was made possible by the discovery that the microscopic nerves that control erections pass near the prostate in a bundle. In the past, removal of a cancerous prostate usually severed those nerves.

Dr. Patrick Walsh of Johns Hopkins University developed the procedure that increases the chance that men who lose the prostate to cancer surgery will remain potent. The technique avoids cutting the nerves that control erections. The procedure works best for younger men.

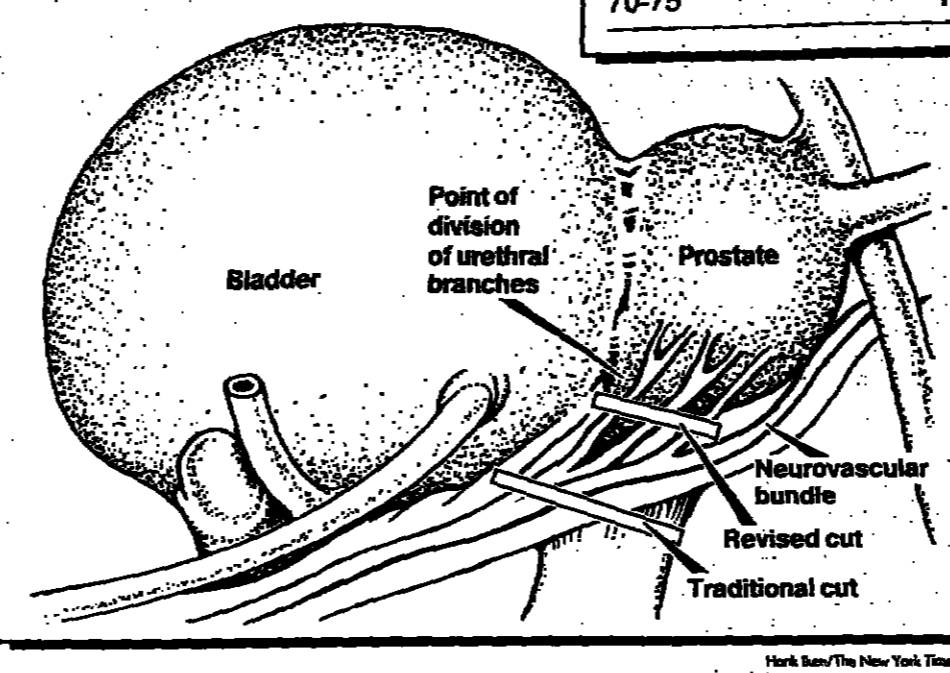


Table showing Age and Percent who retained potency. 30-39: 100%, 40-49: 79%, 50-59: 85%, 60-69: 64%, 70-75: 17%

IN BRIEF

Rare Animal Gets Fancy Dentistry
CHEYENNE, Wyoming (UPI) — One of the black-footed ferrets in the captive breeding program is now the rarest animal ever to have a tooth fitted with a gold crown.

Decline Noted in U.S. Alcohol Abuse
WASHINGTON (NYT) — A national campaign to reduce the death and suffering from alcohol abuse seems to be working for adults, with alcoholic consumption dropping, drinking-related traffic fatalities decreasing and more people becoming aware that alcohol and pregnancy don't mix.

Meteorite Yields Clue to Solar System
NEW YORK (NYT) — Scientists have detected grains of silicon carbide in a meteorite and say they believe the discovery strongly reinforces the theory that the solar system formed partly from the debris of defunct stars.

Cuneiform Archive Found in Syria
NEW YORK (AP) — A collection of 1,100 clay tablets and seal impressions found in Syria is the largest body of written information recovered from the ancient city-states of northern Mesopotamia in more than 50 years, researchers say.

Scientists Find New Gravity Forces

By John Noble Wilford
Physicists have stumbled on a perplexing surprise in their search for more evidence of a possible fifth force in nature. They believe they have detected a sixth force.

Two years ago, physicists led by Ephraim Fischbach of Purdue University reported anomalies in earlier experiments that they said were evidence of an unrecognized force that counteracts gravity. The force is weak and operates only at ranges up to a few thousand feet.

Scientists from the Air Force Geophysics Laboratory at Hanscom Air Force Base in Massachusetts decided to investigate, in part because the force, if it exists, could have some effect on the trajectory of missiles that depend on inertial guidance systems.

used to predict how the force of gravity should diminish at higher elevations on the tower. Then gravity readings were taken at regular intervals all the way to the top of the tower.

The operation was devised in 1982 by Dr. Patrick Walsh of Johns Hopkins University, where the procedure has been performed about 510 times.

The traditional detection method is for a physician to insert a gloved finger into the rectum and feel for a dense area inside the prostate. A considerable percentage of cancers can be missed by this method. Ultrasound or blood tests are being attempted, but have not yet achieved general acceptance.

Prostate cancers grow slowly and may not threaten health for many years. When a man is 75 or older, doctors may decide to leave a prostate tumor untreated on the theory that the patient is more likely to die of some other cause before the tumor becomes a problem.

Some bold scientists even contemplated a grand unifying theory in which three and perhaps all four forces were seen as manifestations of a single force. Then evidence of a fifth force, believed to counteract gravity, was found. The latest findings now indicate a force that has the opposite effect: It seems to enhance gravity.

The team made precise measurements with a gravity meter on and around a 2,000-foot television tower in North Carolina. Measurements on the ground were adjusted to account for gravitational effects from the sun, moon, air, ground water and the tower itself. They were

NYSE Most Actives table with columns for stock symbols, high, low, and change.

Market Sales table with columns for volume, value, and change.

NYSE Index table with columns for Composite, Industrials, Transp., Utilities, and Finance.

Wednesdays NYSE Closing table with columns for Open, High, Low, and Close.

AMEX Diary table with columns for Close and Prev.

NASDAQ Index table with columns for Composite, Industrials, Transp., Utilities, and Finance.

AMEX Most Actives table with columns for stock symbols, high, low, and change.

AMEX Stock Index table with columns for High, Low, Close, and Change.

Large table of stock market data including Dow Jones Bond Averages and various stock prices.

Table of Dow Jones Bond Averages with columns for Bonds, Utilities, and Industrials.

Table of Dow Jones Bond Averages with columns for Bonds, Utilities, and Industrials.

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NYSE Reverses 3-Day Decline

NEW YORK — Prices on the New York Stock Exchange moved higher in light trading Wednesday, breaking a string of three consecutive losing sessions.

The Dow Jones industrial average, which had fallen 16.08 points Tuesday, rose 23.21 to close at 1950.10. It jumped 20 points in the opening minutes of Wednesday's session.

"It ran up at the open and then just stopped," said Rodd Anderson, vice president in equity trading at Shearson Lehman Brothers Inc. "The market looks like it's sold out. There are not a lot of stocks around for sale."

Broad-market indexes also advanced. The New York Stock Exchange index rose 1.68 to 128.52. Standard & Poor's 500-stock index rose 1.27 to 247.86. The average share price gained 37 cents.

Advances led declines by a ratio of slightly more than 3-1 among the 1987 issues traded. Volume totaled 149 million shares, compared with 111 million traded Tuesday.

Mr. Anderson said the market had "a real nice tone" and those in the market were looking around for bargains ahead of an anticipated rise in January.

"It looks like it is setting up that way," Mr. Anderson said. "We just don't see a lot of stuff for sale."

Ms. Zagorski said the declines on Monday and Tuesday suggested that the market was over-extended and was due for a consolidation.

However, "We have probably retraced enough," Ms. Zagorski said. "Things are getting ready to do better in January. I don't think you'll get anything really dramatic over today and tomorrow. We won't come back to the real world until next week."

Despite the low volume of stocks traded, Wednesday was the busiest session of the week so far. Many investors had opted to take the week off.

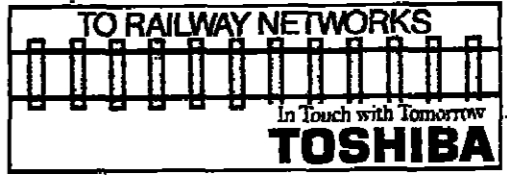
"What happens is that we get some random action on low volume," said Michael Metz of Oppenheimer & Co.

The selling of the earlier sessions had been blamed, at least partially, on concern about inflation and worries that foreign investors would hasten their departure from dollar-denominated securities as the dollar fell to new lows, analysts said.

Bankers Trust was the most active NYSE-listed issue, up 1 1/2 to 32 1/2.

Chemical New York preferred C followed, up 1/4 to 30 1/2. AT&T was up 1/2 to 27 1/2. Citicorp rose 1/2 to 19 1/4. IBM gained 1 to 117. Digital Equipment was up 3/8 to 137 1/4.

Prices were higher in active trading on the American Stock Exchange. Lorimar Telepictures led the Amex actives, up 1/2 to 10 1/2.



WALL STREET WATCH

What the Fund Managers Like for the New Year

By VARTANIG G. VARTAN

NEW YORK — With a disquieting investment year drawing to an end, market professionals are mulling over their candidates for favored stocks in 1988. A general theme is the prospect for increased earnings over the next two years. The latest stock recommendations range from Service Corp. International, a funeral services company known for its stability, to Union Camp, a paper producer that has benefited from the dollar's decline.

"At these prices, I like the Ogilvy Group, which happens to be an old favorite of mine," said Scott M. Black, president of Delphi Management Inc. in Boston. "As an advertising agency group, it enjoys a good mix of domestic and foreign business. And Ogilvy is about as close as you can get to a great business operating at virtually a single-digit price-earnings multiple."

Ogilvy posted earnings of \$1.90 a share last year, and Mr. Black, whose firm manages \$500 million, estimates its profit at \$2.20 a share this year and \$2.55 in 1988. Buoyed by takeover rumors that never panned out, Ogilvy reached a high of \$45.25 in August and then plummeted during the October market collapse. Its shares were unchanged Tuesday at \$23.25.

W.R. Berkley, a fire-and-casualty insurance company that also is traded over the counter, is one choice of William G. Garrison, president of Garrison, Keogh & Co. in New York. "I view Berkley as an asset play," he said. "The stock sells at just over \$23 a share, and I estimate that Berkley will earn \$4.25 a share in 1987 and \$5.25 next year." Earnings in 1986 were \$2.40 a share.

Mr. Garrison, whose firm manages \$250 million, also likes Jostens Inc., which he described as "a quality company with a very good balance sheet and modest long-term debt." Jostens is the leading producer of class rings, yearbooks, graduation announcements and diplomas. Its shares gained 12.5 cents Tuesday, to \$17.625, on the New York Stock Exchange.

"One area that appeals to us is the middle-sized company that has underperformed the market since mid-1986," said Thomas Hodgman, president of Portfolio Group Inc., an independent unit of Chemical New York Corp. It manages \$2 billion in stocks and fixed-income investments, mostly for individual clients.

SERVICE Corp. International, "a company that is interesting for its stability and is one step removed from the economic cycle, is an example of what we like," Mr. Hodgman said. Service Corp., the largest publicly owned funeral service and cemetery company, dipped 25 cents on Tuesday, to \$22.375. In its fiscal year ended April 30, the company earned \$1.21 a share. Mr. Hodgman expects profit to reach \$1.50 per share in the current fiscal year and \$1.80 the following year.

Oil stocks, reflecting the recent weakness in crude prices, are not particular favorites. Byron R. Wien, a domestic stock strategist for Morgan Stanley & Co. is partial to two paper producers, Union Camp and Stone Container. "The United States has recaptured its export markets for liner board," he said. "These companies are beneficiaries of the decline in the dollar and, if we avoid a recession in 1988, they should do extremely well." Union Camp fell 87.5 cents Tuesday, to \$35.25, while Stone Container gained 25 cents, to \$36.875.

Paine Webber Inc. has picked 21 stocks that it says are likely to be "attractive investment opportunities for the coming year." Those stocks are: Advanced Micro Devices, American Express, Ashton-Tate, Digital Equipment, General Motors, Merrill Lynch, Owens-Corning Fiberglass, Pier 1, Prime Motor Inns, Squibb, USF&G, Allied-Signal, AMR Corp., Chrysler, First Wachovia, Kmart, J.P. Morgan, Philip Morris, Prime Computer, Sara Lee and Union Pacific.

Grand Met Bids for Martell

Company Valued At 3.7 Billion FF

LONDON — Grand Metropolitan PLC opened a bidding war Wednesday for Martell & Company, saying it was making an offer that values the prestigious cognac house at 3.7 billion French francs (about \$685 million).

Grand Met, a large British food, beverage and hotel company, said it was offering 2.675 francs a share for the roughly 80.1 percent of Martell that it doesn't already own.

Martell is also the target of a takeover bid from Mumm & Compagnie, a subsidiary of Seagram Co., which announced an agreement Dec. 16 to buy 40 percent of Martell from the Martell family for 2,500 francs a share, or 1.49 billion francs. That purchase would give Seagram, a big Canadian distiller, control of 52 percent of Martell.

Grand Metropolitan has said the agreement between Seagram and Martell may have violated rules covering the sale of shares in French companies listed on the stock exchange. A clause in French stock-trading law says all shareholders, not just family founders, must be consulted in such cases.

Grand Metropolitan said it notified the Paris Bourse on Dec. 24 of its intention to make an offer for Martell. It said its offer was open to all Martell shareholders and would have to be accepted by holders of at least 51 percent of Martell's shares.

A spokesman for Grand Metropolitan, maker of Gilbey's gin, Croft port and Smirnoff vodka, said he wasn't aware of any talks with Martell about the offer.

Grand Metropolitan's International Distillers & Vintners subsidiary signed a joint distribution agreement with Martell in July.

In Toronto, a Seagram spokesman said after announcement of the counterbid that Seagram's managers remained hopeful "that the French government will view this agreement as positively as our two family firms intend it to be."

The Grand Met spokesman said the Paris Bourse and Britain's Treasury Department, allowed Grand Metropolitan to announce its offer, but the authorities haven't made a final decision on whether they will allow the offer to proceed.



Oil workers on an offshore drilling platform.

Hopes Fade in Oil Service Industry

OPEC Discord Dampens Chances of New Exploration

By Thomas C. Hayes

DALLAS — After three years of staggering losses, executives in the oilfield service industry thought that the worst was finally over last summer. Oil prices went as high as \$22 a barrel and exploration for new oil in the United States began to accelerate, increasing the demand for the drilling rigs, casing, pipe and other equipment and services needed to find and produce new reserves.

Further helped by a surge in foreign orders, many members of the industry — including Schlumberger Ltd., Halliburton Co. and Dresser Industries — returned to profitability. Many executives confidently predicted that a \$10-billion reduction in operating costs since 1985 would enable the industry as a whole to turn a profit in 1988.

Now they are not so certain. The hopes that better days were at hand dwindled a couple of weeks ago, when oil prices suddenly slumped after the Organization of Petroleum Exporting Countries could not persuade all its members to go along with a plan to limit their production.

The price of the American benchmark crude oil, West Texas Intermediate, dropped by more than \$4, to around \$15 a barrel. Although it now sells for around \$17, that is still below the \$19 of four weeks ago.

Even if oil prices average only \$15 a barrel next year, the oilfield service industry stands to break even, many in the industry say. That is partly because of belt tightening, bankruptcies of some competitors and consolidations among others over the past two years. For example, Baker Hughes Inc., a company formed by the merger last April of Baker International Inc. and Hughes Tool Co., says it has reduced its annual operating costs by \$85 million by cutting its staff and achieving other economies of scale.

With oil at \$15 a barrel, the number of rigs used to drill for new oil in the United States — a key measure of the industry's health — would average about 950 in 1988, according to the American Petroleum Institute, a trade group.

A comparison with 1987 figures reflects the industry's progress in lowering costs and narrowing losses. In 1987, when the drilling-rig average was 936, or only 14 below the projected break-even average for next year, the 95 public companies in the industry had losses of 4 cents on every dollar of sales, according to estimates by Simmons & Co. International, a Houston investment bank. Collectively, these companies have suffered losses of \$11.4 billion in the past three years, Simmons said.

Should oil prices rebound to \$18 a barrel in 1988, the number of rigs would probably average 1,100 to 1,200. The total in operation Monday was 1,145, still close to the year's peak of 1,181 two weeks ago and far above the low of 744 on May 10. While the figure at \$18 a barrel would still be well below the peak of 4,500 in 1981, it would be high enough for most companies in the industry to make money.

But rather than expecting prices to return to \$18 a barrel, some analysts say overproduction by OPEC members makes it more likely that prices will sink to as low as \$12 within a few months. "We expect prices to soften in late January and February, to around \$12 or \$13, and stay there for some period," said Dennis Eklof, a director of Cambridge Energy Research Associates, a consulting concern in Cambridge, Massachusetts.

If prices average \$15 a barrel or less into the summer, another wave of consolidation, through mergers and joint ventures, will probably sweep the industry, analysts and executives predict.

See RIGS, Page 11

Saudis to Issue Bonds in Effort To Cut Deficit

Compiled by Our Staff From Dispatches

MANAMA, Bahrain — Saudi Arabia unveiled plans Wednesday to borrow for the first time since the early 1960s in an attempt to trim its budget deficit and ease strains on its foreign reserves.

King Fahd, quoted by the Saudi Press Agency, said the government would be authorized to borrow up to 30 billion riyals (\$8 billion) in 1988 by issuing bonds.

Gulf-based economists said that the kingdom's decision to borrow represented a major shift in policy resulting from weak oil revenues.

In a broadcast speech, King Fahd told his countrymen that the huge revenues that flowed into Saudi Arabia during the oil boom of the 1970s had been slashed by declining world oil prices.

"The changes in the petroleum situation and the reduction in the country's revenue to one-fifth of what it was a few years ago" led the government to seek ways of keeping spending at a level "commensurate with continued national economic development," he said.

Unveiling the 1988 budget, the king said that the government would curb spending to 141.2 billion riyals, a 17 percent cut from 170 billion riyals in 1987.

The government projects revenue at 105.3 billion riyals, 10 percent lower than in 1987. That would result in a deficit of 35.9 billion riyals, or about \$9.6 billion.

Saudi Arabia's deficits have been running at about \$13 billion annually since 1984. Economists believe the bonds will be offered only within the kingdom and not to foreign investors. Because Islamic law forbids interest payments, the bonds were expected to be issued at a discount to their face value to provide a return to investors.

The central bank, the Saudi Arabian Monetary Agency, now offers commercial banks small amounts of short-term paper in the domestic money market, but economists said this was mainly to regulate liquidity and not to raise money.

The deficit will be almost covered by the new bonds, with the remainder coming from reserves.

Saudi Arabia, the world's largest oil exporter, has incurred no major debt since the early 1960s, when overborrowing from the previous decade caused a financial and political crisis.

Oil industry experts estimate oil revenues for the current year at roughly 65.2 billion riyals, or \$17.4 billion. The government has not yet provided figures on the kingdom's fiscal performance in 1987.

Fahd said that although overall expenditures would be curbed in 1988, military spending would be high because of the unstable situation in the Gulf. Details were not released.

(Reuters, AP)

Currency Rates

Cross Rates	Dec. 30	Jan. 1
Australia	1.779	1.785
Belgium	36.425	36.425
Canada	1.315	1.315
France	163.335	163.335
Germany	1.805	1.805
Italy	1,936.5	1,936.5
Japan	163.335	163.335
Switzerland	1.735	1.735
UK	1.779	1.779
US Dollar	1.000	1.000

Other Dollar Values	Dec. 30	Jan. 1
Canada	1.315	1.315
France	163.335	163.335
Germany	1.805	1.805
Italy	1,936.5	1,936.5
Japan	163.335	163.335
Switzerland	1.735	1.735
UK	1.779	1.779

Forward Rates	Dec. 30	Jan. 1
30-day	1.779	1.779
60-day	1.779	1.779
90-day	1.779	1.779
180-day	1.779	1.779
360-day	1.779	1.779

Interest Rates	Dec. 30	Jan. 1
3-month	7.75%	7.75%
6-month	7.75%	7.75%
9-month	7.75%	7.75%
1-year	7.75%	7.75%

Mexican Debt Plan Looks Attractive for Big, Strong Banks

Compiled by Our Staff From Dispatches

NEW YORK — U.S. banks with a strong capital base are the most likely to participate in Mexico's novel proposal to reduce its debt burden, analysts say.

Under the plan, announced Tuesday, Mexico would issue 20-year bonds secured by U.S. government bonds. Mexico's bank creditors could buy the bonds by exchanging existing loans to Mexico at a discount from their face value. Commercial banks have \$78 billion in Mexican loans.

"Banks with the strongest equity bases, like J.P. Morgan & Co., will be able to participate, as will Bankers Trust New York Corp. and Citicorp," said Mark Alpert, an analyst at Bear Stearns Cos.

"The move helps the better big banks," said Richard Fredericks at Montgomery Securities.

Under the deal, expected to be completed by the end of the first quarter of 1988, U.S. and foreign banks will submit bids at auction for Mexican bonds to cover part or all of their debt at a discount specified by the

bank. The plan was put together by J.P. Morgan and the Mexican government.

Regional U.S. banks and banks outside the United States, many of which have made larger reserves against developing country loans and which may have taken larger write-offs of Mexican debt than U.S. money center banks, are likely to be the more aggressive bidders. They will accept higher discounts, taking fewer cents on the dollar, than would banks without the earnings, capital or reserves to absorb losses.

Many analysts expect the regional and non-U.S. banks to bid the price below 50 cents on the dollar. Should this happen, some banks may prefer to sell their loans privately for slightly more money on the secondary developing country loan market.

Regional U.S. banks hold a small portion of the eligible Mexican debt, so they will have limited ability to push the prices down.

Analysts were surprised that non-U.S. banks were allowed to participate in the deal. They said these banks, some of which had reserves for 80 percent of the loans, could accept 20 cents on the dollar and still break even.

In Europe on Wednesday, bankers largely refrained from comment, saying that they were awaiting further details, but the announcement boosted bank shares on the London Stock Exchange.

A Mexican Embassy official in London said the plan's success rested in part on whether regulatory bodies considered the new loans a Mexican risk or a U.S. risk. If they are judged a U.S. risk, regulatory bodies like the Federal Reserve and the Bank of England may not require banks to make provisions against the new debt.

If the debt sells for a 50 percent discount, Mexico will save \$18 billion in interest payments over the life of the bonds. That is about \$900 million a year if the entire \$10 billion of Mexican bonds are traded for Mexican debt.

Donald Crowley, a bank analyst for Keefe, Bruyette & Woods Inc. in San Francisco, questioned the value of accepting a bond in exchange for a potentially more valuable old loan.

"If I do that with part of my Mexican loans, how will my accountants look at the

rest?" he asked. "The best thing about it is that it would improve the quality of the credit."

In earlier deals involving the redemption of debt, Mexico has accepted 85 cents on the dollar in many cases, less of a discount than the current 50 cent secondary market price. If the bidding is tough, as Felice Gelman at Fox-Pitt Kelton said it could be, that discount would grow.

"Money centers will bid, and the discount will be substantial," he said. "It has to be attractive to Mexico. It has to take into consideration that the bonds offer banks greater liquidity, a better credit risk, and a better spread."

"Mexico will want to buy at the cheapest price, so it is not a market price, but a matter of how badly the banks want out," said Mr. Alpert at Bear Stearns.

Manufacturers Hanover Corp.'s chairman, John F. McGillicuddy, said the plan offered a "market-oriented framework within which individual banks can make their own determination as to an appropriate course of action."

(Reuters, UPI)

Asian Dollar Deposits

Key Money Rates	Dec. 30	Jan. 1
3-month	7.75%	7.75%
6-month	7.75%	7.75%
9-month	7.75%	7.75%
1-year	7.75%	7.75%

U.S. Money Market Funds	Dec. 30	Jan. 1
Merrill Lynch Ready Assets	655	655
30-day average yield	6.55	6.55
Tolerance interest rate (index: 4.80)	6.55	6.55

Gold	Dec. 30	Jan. 1
Spot	372.50	372.50
1-month	372.50	372.50
3-month	372.50	372.50
6-month	372.50	372.50
1-year	372.50	372.50

Minivans, Pickups Lift Flagging U.S. Automakers

Trucks' Popularity Gives Industry a New Chance in Battle With Japanese

By John Holusha

DETROIT — Parking lots at schools are crowded with minivans picking up their children. Young executives park their BMWs and Volvos on weekends to drive their Jeeps to the country club or their vacation homes.

Few drivers these days may think of minivans, Jeeps and pickups as trucks. But millions of consumers — particularly younger, more affluent ones — find such vehicles to be attractive, stylish substitutes for cars.

Options that were found on luxury cars only a few years ago — such as premium sound systems, power windows and sophisticated climate controls — are commonplace on the new generation of trucks. In 1980, trucks accounted for one in five light vehicle sales; in 1987, one truck will have been purchased for every two cars sold.

This shift in taste appears to be presaging General Motors, Ford Motor and Chrysler with a second chance to reclaim some of the buyers they have lost to Japanese companies. Japanese automakers have largely managed to hold their share of the U.S. car market, at 25 percent or so, even though the rising value of the yen has forced them to raise prices. But the Japanese have begun to retreat in the truck market in the face of attractive, competitively priced new models from Detroit.

During the first 10 months of 1987, the Japanese share of the light-truck market declined to 17.3 percent, from 19.1 percent for all of 1986, according to Montgomery Securities.

In Europe on Wednesday, bankers largely refrained from comment, saying that they were awaiting further details, but the announcement boosted bank shares on the London Stock Exchange.

A Mexican Embassy official in London said the plan's success rested in part on whether regulatory bodies considered the new loans a Mexican risk or a U.S. risk. If they are judged a U.S. risk, regulatory bodies like the Federal Reserve and the Bank of England may not require banks to make provisions against the new debt.

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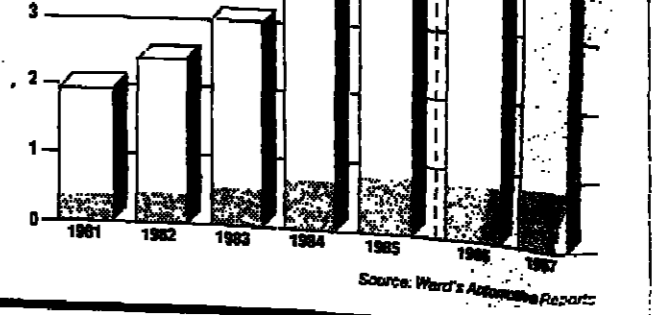
Manufacturers Hanover Corp.'s chairman, John F. McGillicuddy, said the plan offered a "market-oriented framework within which individual banks can make their own determination as to an appropriate course of action."



Shopping for a Jeep in a Michigan showroom.

The Japanese Lose Ground In U.S. Sales of Light Trucks

In the first 10 months of this year, imports from Japan of minivans, sport utility vehicles and pickups fell to 17.3 percent of total U.S. sales, from 19.1 percent for all of 1986. For November, month-to-month sales of imported Japanese trucks dropped 32 percent from the previous year. Shown: Japan's share of the total U.S. market for light trucks, in millions of units.



Source: Ward's Automotive Reports

U.S. Futures

Table of U.S. Futures prices for various commodities including PORK BELLIES, GRAINS, COFFEE, SUGAR, METALS, LIVESTOCK, FEEDER CATTLE, CURRENCY OPTIONS, and FINANCIAL instruments.

RIGS: Oil Services Face Hard Times

(Continued from first finance page) Many experts fear that the damage from such a contraction would outweigh the gains. Indeed, the industry already could not supply the exploration equipment and services that would be required to find enough new oil to keep the United States' dependence on oil imports from rising.

INTERNATIONAL POSITIONS

FINANCIAL CONTROLLER (Europe)

The Paris-based European Headquarters of an American industrial company is looking for its European Controller. The successful candidate will have a college degree in Finance or Accounting, fluency in English and French, and 10-15 years of progressively more responsible management experience in the areas of:

ARC AND KUWAIT RAISE STAKES IN U.K. OIL FIRMS

LONDON — Atlantic Richfield Co., which has agreed to take a 49.9 percent stake in Britoil PLC, said Wednesday that it had raised its shareholding in the British company to 21.1 percent from 20.4 percent.

INTERNATIONAL POSITIONS

appears every Thursday

MOON-BOUND

Fifteen years ago information could be moved along phone lines at 14 characters a second. Now 50 million bits per second isn't fast enough for many major computer users, and \$20 billion is going to be spent on the first stage of a program to colonize the moon and further boost demand for high-speed systems.

INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE

EXECUTIVE ASSISTANT TO THE DIRECTOR GENERAL. The International Institute of Tropical Agriculture (IITA) invites applications from qualified candidates to assume responsibility for the Office of the Director General. IITA is an international Institute, sponsored by the World Bank, F.A.C., and United Nations Development Programme.

MARKET GUIDE

Table of Market Guide showing various indices like SP COMP. INDEX, NYSE COMP. INDEX, and COMMODITY INDEXES.

Paris Commodities

Table of Paris Commodities prices for items like SUGAR, COFFEE, and CACAO.

London Commodities

Table of London Commodities prices for items like SUGAR, COFFEE, and CACAO.

Spot Commodities

Table of Spot Commodities prices for items like ALUMINUM, COPPER, and ZINC.

Dividends

Table of Dividends for various companies including B&S Bankers and Personal Computer Products.

S&P 100 Index Options

Table of S&P 100 Index Options prices for various months and strikes.

U.S. Treasuries

Table of U.S. Treasuries prices for various maturities and yields.

DM Futures Options

Table of DM Futures Options prices for various currencies and maturities.

Company Results

Table of Company Results for United States, including companies like Fischbach and Interstate Bakeries.

THE INTERNATIONAL REAL ESTATE MARKETPLACE

Real estate listings for various locations including BAHAMAS, ITALY, MONACO, SWITZERLAND, and USA RESIDENTIAL.

Kemira to Buy Dutch Grower

HELSINKI — Kemira Oy, Finland's biggest chemical company, said Wednesday it had signed an agreement to acquire the Dutch seedling and flower company Terra Nigra BV for an undisclosed amount.

Wednesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Table with columns: 12 Month High/Low, Div. Yld. PE, Stock, High/Low, Chg. One. Lists various stocks and their performance.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Dec. 30, 1987

Large table listing various international funds with columns for fund name, currency, and other details.

Other Funds

Table listing other funds with columns for fund name, currency, and other details.

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AS - Australian Dollars; BF - Belgian Francs; C - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; L - Pound; Lira - Italian Lira; L.F. - Luxembourg Franc; M - Mexican Pesos; N.S. - New Zealand Dollar; P - Swiss Francs; S - Singapore Dollar; S\$ - Singapore Dollar; T - Taiwan Dollar; T\$ - Taiwan Dollar; U.S. - U.S. Dollar; Y - Japanese Yen.

Floating-Rate Notes

Table listing floating-rate notes with columns for issuer, coupon, and bid/ask prices.

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Vertical advertisement on the right edge of the page, including 'Wedge-on OTC' and 'Penny Market' logos.

CURRENCY MARKETS

Dollar Steady After Intervention

NEW YORK — The dollar closed barely changed Wednesday in trading after concerted central bank intervention did little to alter bearishness on the currency. The dollar closed below 1.60 Deutsche marks and 134 yen, but above the record lows of 1.5865 DM and 122.75 yen touched earlier this week.

London Dollar Rates

Table with columns: Country, Rate, Change. Includes Deutsche mark, Swiss franc, French franc, etc.

Mr. Baker refused, because of fears that higher U.S. interest rates would trigger a recession prior to the 1988 election, the sources quoted by the Post said. After dropping to postwar lows this week, the dollar is likely to fall further in January unless the United States raises interest rates or takes other significant policy actions such as trimming its budget deficit, economists and currency traders say.

Soviets Create Bank to Handle Hard Currency

MOSCOW — The Soviet Union has created a bank that will handle the country's reserves of hard currency and deal on international markets, Tass reported Wednesday. The news agency said the bank would open on Friday.

PROFIT: The Dollar, in Its Plunge, Doesn't Make a Loser of Everybody

(Continued from Page 1) huge debts in dollars could benefit from the dollar's fall if they had receipts in currencies that were now worth more, but few of them do. Mr. O'Brien and other economists said. The major debtor countries in Latin America do most of their business in dollars, and some of their currencies have fallen even faster than the dollar.

INDEX: Gauge of U.S. Economy Fell 1.7% in November

(Continued from Page 1) down in growth of the money supply, changes in raw materials prices, a rise in unemployment claims, a decline in the length of the manufacturing work week and a fall in contracts and orders for plant and equipment.

Mr. Weiss predicted that growth in the U.S. economy, as measured by the gross national product, would slow to a weak 1.6 percent annual rate next year, down substantially from the 3.7 percent annual rate posted for the first nine months of this year.

Wednesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Most trading securities in terms of dollar volume.

Large table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

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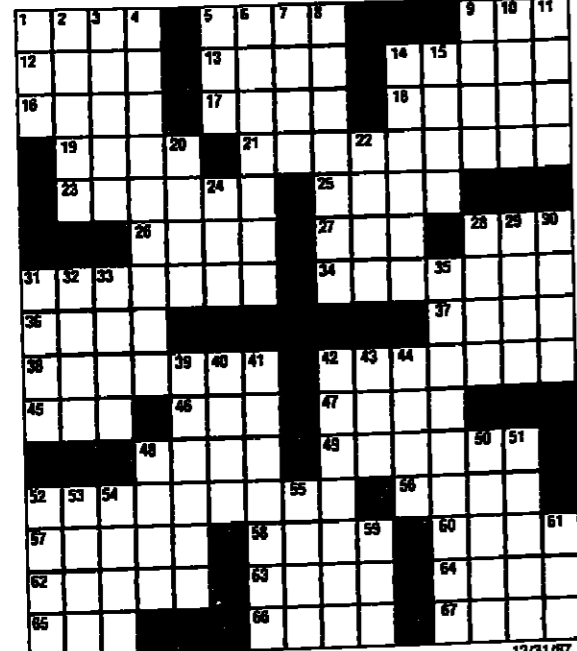
Table of stock prices with columns for stock name, price, and change.

Wednesday's AMEX Closing. Tables include the nationwide prices for the closing on Wall Street and do not reflect late trades elsewhere. Includes AMEX High-Lows section.

CFTC Scrutinizes Copper Market as Prices Skyrocket

CHICAGO — The Commodity Futures Trading Commission has intensified its surveillance of the copper market since an impending shortage sent prices soaring, according to agency officials. "We're well aware of what is going on in the copper market, and we're working closely with the exchanges to continue monitoring it," said John R. Mielke, the commission's director of market surveillance.

Handwritten scribble at the bottom of the page.



ACROSS
1 Simon's dividers
5 Desert regions
12 English rock duo
13 Burn or dribble
14 "Alphabet" synonym

PEANUTS



BLONDIE



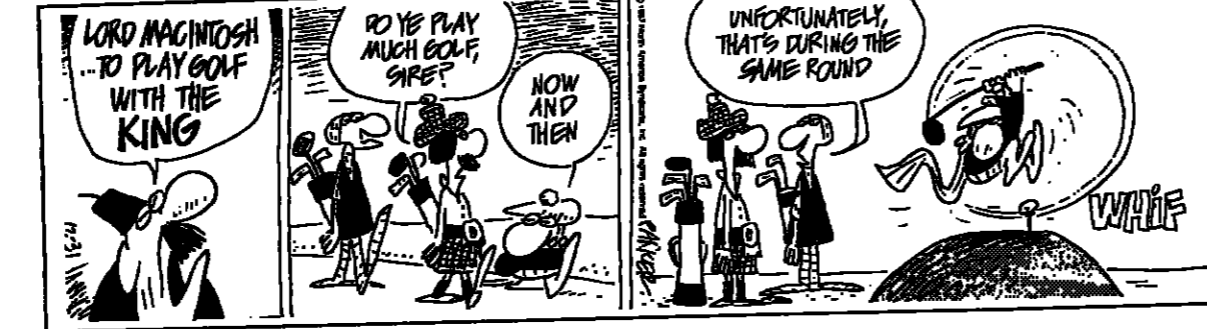
BEETLE BAILEY



ANDY CAPP



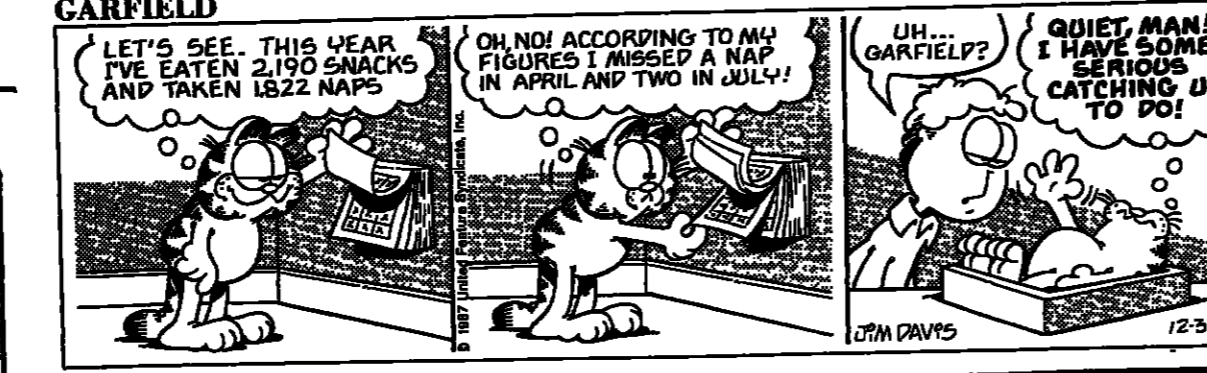
WIZARD OF ID



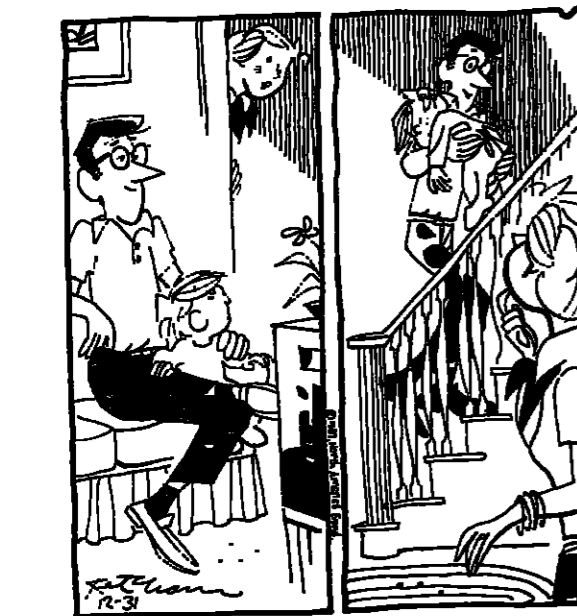
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.
MIDUH
PRIPE
YETIN
FLEMSY

WEATHER

Table with weather forecasts for various regions including Europe, Asia, Africa, Latin America, North America, Middle East, Oceania, and Japan.

BOOKS

FROM COPYRIGHT TO COPPERFIELD: The Identity of Dickens
By Alexander Welsh. Illustrated. 200 pages. \$25. Harvard University Press, 79 Garden Street, Cambridge, Mass. 02138.

Reviewed by John Gross
JUST after his 12th birthday, Charles Dickens was sent to work in a factory, where he labored at menial tasks for the next four or five months.

The period on which he concentrates, running from 1842 to 1850, represents the decisive middle stretch of Dickens's career.

iver Twist, "Nicholas Nickleby," "The Old Curiosity Shop" and "Barnaby Rudge." Then his career temporarily stalled, after which he went on to write "Martin Chuzzlewit," "Dombey and Son" and "David Copperfield."

John Gross is on the staff of The New York Times.

BRIDGE

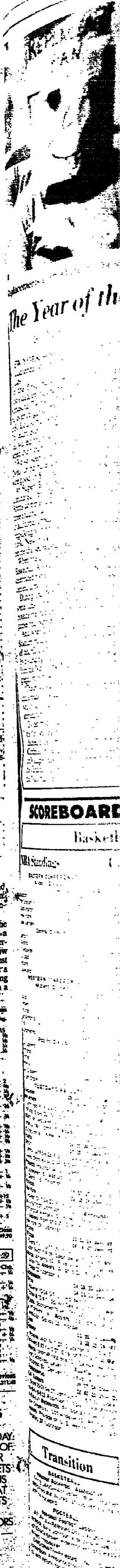
By Alan Truscott
THE New York bridge veterans when Herman Horowitz of Rego Park, Queens, died in August just short of his 90th birthday.

and this time West covered with the ace dummy ruffed, and another heart ruff left this ending:

Table with stock market data for various cities including Amsterdam, London, Frankfurt, Zurich, and others.

Table with stock market data for various cities including Toronto, Montreal, and others.

SHERIDAN MORLEY IN THE HIT EVERY WEDNESDAY WITH PERCEPTIVE CRITICISM OF THE LONDON THEATER



SPORTS

Of Rising Stars and Veterans
1987 Was the Year of Graf, Johnson, Leonard and Prost

Compiled by Our Staff From Dispatches
LONDON — Veterans and youngsters alike flourished in 1987 sports as Steffi Graf gave women's tennis a fresh face at the top. Ben Johnson flashed into track history, Mike Tyson consolidated the heavyweight boxing titles and Alain Prost broke the longevity record for race drivers.

Lewis of the United States, the defending champion, matched the old world mark of 9.93, but was beaten by two strides. "This record is the best ever in the history of track, in all events," Johnson said. It was a drop of 1 percent in the world record time, incredible in a race so short and equivalent to trimming 2.26 seconds off the world mark for the mile.

Martina Navratilova in the French Open final. Navratilova, 31 and the top-ranked women's player the previous five years, handed Graf her only two defeats of the season, in the finals of Wimbledon and the U.S. Open.



Steffi Graf rose to first place in women's tennis rankings.

But while fans were electrified by performances that stretched athletes' endurance and perseverance, drugs continued to haunt sports. Fan violence clung to soccer, especially in Europe. And efforts to settle a dispute between North Korea and South Korea over staging next summer's Olympics reached a stalemate.

Edwin Moses had his 400-meter hurdles streak ended at 122 victories by Danny Harris of the United States at a Madrid meet. And Said Aouita of Morocco established three world records: at 2,000 meters, 5,000 meters and 2 miles.

Navratilova was not the only veteran women's player to have a tough year. Chris Evert failed to win a Grand Slam title for the first time in 14 years and was eliminated in the first round of the Slims Final. Afterward, she said she was tired of being a tennis "gypsy" and at 32 might be through as a full-time player.

In boxing, Tyson was the top performer in a historic year. Already the youngest heavyweight champion after knocking out Trevor Berbick for the World Boxing Council crown late last year, he decided James (Bonecrusher) Smith for the World Boxing Association belt. Then he united the three major heavyweight titles for the first time in 50 years with a decision over the International Boxing Federation champ, Tony Tucker.

Sugar Ray Leonard returned from a virtual five-year absence to dethrone Marvin Hagler as the world middleweight champion in a 12-round split decision. At 30, Leonard had been stirred as much by the almost unanimous opinion of boxing devotees that "they never come back" as by his obsession with defeating the 32-year-old Hagler.



Ben Johnson, right, defeats Carl Lewis in the 100-meter.

What people forgot," Leonard said later, "was that this was the first time that a young guy fought an old guy in a comeback." Golf, long dominated by Americans, returned to its European roots for champions. For the first time, the United States lost the Ryder Cup on its home soil, as a European team captained by Tony Jacklin retained the trophy it won in England two years ago.

In soccer, the French star Michel Platini, one of the great European players, retired from play a month before his 32nd birthday. Violence on the field and in the stands, dogged soccer's heels.

A Cyprus goalkeeper was temporarily blinded when fans tossed a smoke bomb onto the field during a European championship qualifying match in the Netherlands. In Scotland, about 40 people were injured when a canister of anti-riot gas was fired into the visiting crowd at a Premier Division match, and police arrested four players from another Scottish team on charges of inciting violence by on-field fights.



The Year of the Fan in U.S. Sports

By Dave Anderson
New York Times Service

NEW YORK — More than ever before, in 1987 the audience shared the sports stage with the athletes.

In the first indoor World Series, the Metrodome's deafening decibels were as important to the Minnesota Twins as Frank Viola's 4-2 victory in his seventh game. The Cardinals had swept three of St. Louis, but when the Twins emerged as the first team ever to win its four home games, their fans waved their white Homer Hankies and then wiped their tears of happiness.

"We've seen a lot of fans," Gary Gentry, the Twins' third baseman, told them later. "And they were good in St. Louis, but you blew 'em away." At Super Bowl XXI, the New York Giants dominated the Denver Broncos, 39-20, as Phil Simms completed 22 of 25 passes for 268 yards and three touchdowns. But the Giants, trailing by 10-9 at halftime, appeared to have been inspired by a song-along with Frank Sinatra's recording of "New York, New York" by thousands of loyalists just before the second-half kickoff.

When the Los Angeles Lakers won the National Basketball Association championship, their most celebrated rooster, the actor Jack Nicholson, was on camera almost as much as Earvin Johnson.

During the National Football League strike, some fans joined the players on the picket line outside the stadiums to protest the "replacement" games that were played.

the San Francisco Giants, who finished first in the West for the first time since 1971.

During the 40th anniversary of Jackie Robinson's arrival at baseball's first black major-league, his onetime teammate, Al Campanis, stunned the nation by saying that blacks lack the "necessities" to be managers and front-office executives. Campanis quickly resigned as the Dodger general manager, and Commissioner Peter Ueberroth appointed Harry Edwards, a University of California professor, to hasten the hiring of minorities in those roles.

Don Mattingly, the Yankee first baseman, hit a homer in eight consecutive games, tying Dale Long's 1936 record, and his six grand slams during the season, surpassing a major league record. But baseball drew a good deal of attention from the controversies involving the alleged but never proven "lively ball," the suspension of Billy Hatcher of the Astros for having used a corked bat, and the suspension of two pitchers: Joe Nickro of the Twins for having an emery board in his back pocket and Kevin Gross of the Phillies for having sandpaper in his glove.

The integrity of college football continued to be suspect. Southern Methodist University was banned from competing for two years after a National Collegiate Athletic Association investigation into various abuses. Ohio State dismissed Earle Bruce as coach after three consecutive losses even though he had an 81-26-1 career record. Columbia set a major college record for consecutive losses, 41, then acknowledged having admitted 11 players to its last two freshman classes who had not met minimum Ivy League academic standards.

In winning their third NBA title in six years, the Lakers dethroned the Celtics in six games. Johnson, the Lakers' 6-foot-9 (2-meter) guard, was voted the most valuable player of both the regular season and the playoffs. Michael Jordan of the Bulls had a 37.1 scoring average. After a long search, the New York Knicks hired Al Bianchi as general manager and Rick Pitino as coach. Larry Weinstein, who took over as the New Jersey Nets' general manager, recently dismissed Dave Wohl as coach.

And Julius Erving of the Philadelphia 76ers slammed his last dunk, a retirement that was celebrated throughout the NBA.

SCOREBOARD

Basketball

NBA Standings table with columns for Eastern Conference, Atlantic Division, Central Division, Western Conference, and Pacific Division.

Football

U.S. College Results

U.S. College Results table with columns for Division I, Division II, and Division III.

NFL Final 1987 Regular-Season Leaders

NFL Final 1987 Regular-Season Leaders table with columns for Team, Offense, and Defense.

TUESDAY'S RESULTS

TUESDAY'S RESULTS table listing various sports events and scores.

NHL Standings

NHL Standings table with columns for Patrick Division and Adams Division.

Hockey

Hockey table with columns for NHL Standings, Patrick Division, Adams Division, and Campbell Conference.

Transition

Transition table listing various sports events and scores.

Georgia Wins Liberty Bowl on Last-Minute Goal

MEMPHIS, Tennessee — Georgia appeared headed for its third bowl dead-end in four years until John Kassy connected on a 39-yard field goal as time expired to lift the Bulldogs to a 20-17 victory over Arkansas in the Liberty Bowl.

Since that time, the Bulldogs were tied by Florida State, 17-17, in the 1984 Citrus Bowl, battled to a 13-13 deadlock with Arizona in the 1985 Sun Bowl and lost a 27-24 game to Boston College in the 1986 Hall of Fame Bowl.

The Razorbacks' victory hopes were dashed quickly, however, as Georgia cornerback Carver Russ intercepted a first-down pass by Greg Thomas at the Arkansas 43-yard line.

Four plays later Kassy sent the Bulldogs home a Liberty Bowl winner. Kassy, who had hit only one of two field goal attempts during the regular season, was given place-kicker duties for the Liberty Bowl after Steve Crumley, a junior, was suspended for the game by Dooley for breaking team rules.

No Luck as a Free Agent, Morris Re-Signs With Tigers

NEW YORK — Jack Morris is returning to the Detroit Tigers again after finding no other teams wanted him as a free agent.

He crisscrossed the country last year in his attempt to leave the Tigers. First he approached the Minnesota Twins, who turned him down.

Then he offered to sign with the New York Yankees at a salary set by an arbitrator and was turned down again. He next went to the Philadelphia Phillies, who also said no.

Minutes before the deadline, Morris accepted Detroit's offer of salary arbitration and last February was awarded \$1.85 million, the highest award ever for a pitcher and, at the time, the highest arbitration award.



Jack Morris

Skier Ordered To Return Medal

DENVER — Einar Lych of the United States, who has admitted that he took an illegal blood transfusion to help improve his performance at the World Nordic Skiing Championships in West Germany in February, has been sanctioned by the American Ski Federation and ordered to return his silver medal to the International Federation.

INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES. Includes sections for ESCORT, LONDON BELGRAVIA, MAYFAIR CLUB, ARISTOCATS, AMSTERDAM 2000, and various international travel services.

